Seattle City Light

LEVEL 1 & LEVEL 2 INTERCONNECTION AND NET METERING AGREEMENT FOR DISTRIBUTED ENERGY RESOURCES

INSTRUCTIONS: Customers are required to complete all highlighted sections in this agreement and return to City Light at SCL_SolarRequest@Seattle.gov

1. RECITALS

The Customer is proposing to install and operate the Distributed Energy Resource ("DER") described in Appendix A at the Customer premises and for the DER to Operate in Parallel with the Electrical Distribution System.

1.1 The Customer has submitted an interconnection application to Seattle City Light ("City Light" or "Utility") for the DER.

1.2 Capitalized terms used in this Agreement shall have the meanings given in this Agreement or in State of Washington, City of Seattle, or City Light requirements documents (hereafter "Rules") referenced in this Agreement.

1.3 For the purposes of this Agreement, the following terms shall have these meanings:

1.3.1 Authority Having Jurisdiction ("AHJ"): The local government jurisdiction which permits, inspects, and approves electrical services, including issuing electrical, building, or other permits that may be required for installation of new or modified DER.

1.3.2 Customer: Any person, corporation, partnership, government agency, or other entity seeking to interconnect a DER with the Electrical Distribution System.

1.3.3 DER: An electricity generation and/or energy storage source and related facilities capable of delivering electrical energy owned by the Customer and located on the Customer's side of the PCC.

1.3.4 Electrical Distribution System: All electrical wires, equipment, and other facilities owned or provided by City Light that are used to transfer electricity to Customers at distribution voltages.

1.3.5 Looped Radial System: Portions of the Electrical Distribution System in which electricity is supplied to Customers from a single source, and the distribution feeders are arranged in an open loop pattern from the source.

1.3.6 Nameplate Capacity: The rated capacity of a DER in alternating current ("AC"). For an inverter-based DER such as a system containing solar photovoltaic ("PV") and/or battery storage, Nameplate Capacity is the combined rated capacity in AC of the inverter(s) that are part of the DER.

1.3.7 Network System: Portions of the Electrical Distribution System served by multiple transformers interconnected in a low voltage electrical network circuit generally used in large, densely populated metropolitan areas to provide high reliability of service.

1.3.8 Operate in Parallel: The synchronous operation of a DER while interconnected with the Electrical Distribution System.

1.3.9 Point of Common Coupling ("PCC"): The point where the DER's local electrical power system connects to the Electrical Distribution System, such as the electric power revenue meter or at the location of the equipment designated to interrupt, separate, or disconnect the connection between the DER and City Light.

1.4 Now, therefore, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows.

2. SCOPE

2.1 This Agreement establishes standard terms and conditions governing how the Customer's DER with a Nameplate Capacity of 100 kilowatts ("kW") or smaller seeking to interconnect with, and operate in Parallel to, the Electrical Distribution System and establishes the respective obligations of the Customer and City Light (collectively, "the Parties" and individually "a Party") for DER interconnection.

2.2 This Agreement is only applicable if the Customer seeks to participate in City Light's Net Metering program (as defined in the Revised Code of Washington and Seattle Municipal Code), and this Agreement also identifies requirements of such participation.

2.3 Notwithstanding section 2.2 and section 6, this Agreement does not address any purchase or sale of electricity between City Light and the Customer.

2.4 This Agreement does not address City Light's provision of new or modified electricity service to the Customer's premises.

2.5 This Agreement does not create any agency, partnership, joint venture, or other business arrangement between or among City Light, the Customer, and/or any other property owner.

3. ORDER OF PRECEDENCE

3.1 Nothing in this Agreement is intended to affect any other agreement between City Light and the Customer.

3.2 However, to the extent that this Agreement conflicts with any other agreement with City Light or Rules, the order of precedence is:

1. State Statutes and Regulations
2. Seattle Municipal Code ["SMC"]
3. City Light Department Policy & Procedure (except for Interconnection Agreements located in attachments)
4. City Light Construction Standards
5. City Light Requirements for Electric Service Connection ("RESC")
6. This Agreement
7. City Light Distributed Energy Resources (DER) Interconnection Handbook

4. RESPONSIBILITIES OF THE PARTIES

4.1 The Parties shall perform all obligations of this Agreement in accordance with all applicable laws and regulations.

4.2 The Customer shall design, install, inspect, operate, and maintain the DER in accordance with all applicable laws and regulations, including, but not limited to, all safety, power quality, and interconnection requirements established by the American National Standards Institute, National Electrical Code, National Electrical Safety Code, the Institute of Electrical and Electronics Engineers, and Underwriters Laboratories and all provisions of the RESC and DER Interconnection Handbook pertinent to the customer's DER.

4.3 Customer shall pay City Light for the installation of any Utility metering necessary to accommodate the interconnection of the Customer's DER on the Electrical Distribution System. City Light shall send an invoice to the Customer for any such metering costs, which shall be payable within thirty (30) calendar days of issuance, or as otherwise agreed between the Parties. City Light shall purchase, install, operate, maintain, and test any Utility metering.

4.4 Each Party shall be responsible for the safe installation, operation, maintenance, repair, and condition of electricity lines and appurtenances on their respective sides of the PCC, and neither Party shall bear liability or responsibility for lines and appurtenances on the other Party's side of the PCC. Each Party shall perform its responsibilities in this sub-section in a manner to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the other Party.

4.5 Once the DER is in operation, the Customer shall make no changes or modifications to the equipment, wiring, or the mode of operation without written approval from City Light. General maintenance and replacement of previously installed parts does not require prior City Light approval.

4.6 DER maintenance records pertinent to interconnected operation shall be made available to City Light upon request.

5. COMMISSIONING AND TESTING OF EQUIPMENT

The Customer may only interconnect the DER to Operate in Parallel with the Electrical Distribution System after all pertinent Customer payments have been made to City Light, the Customer signs the Commissioning and Testing Attestation form (provided by City Light after construction completion), and then City Light will issue a Permission to Operate letter.

6. NET METERING

6.1. The Customer shall comply with the rules of City Light's published rate schedules for Net Metering and other compensation mechanisms or programs in which the Customer's DER participates. City Light's DER programs, and compensation rates, as currently defined in RCW 80.60.030 and SMC Chapters 21.49.082 and 21.49.083 and summarized below in this section, are subject to change.

6.2 For the Net Metering program, City Light shall measure the net electricity produced or consumed by the Customer during each billing period, in accordance with City Light's normal metering practices.

6.3. If the electricity supplied by City Light exceeds the electricity generated by the Customer's DER, then the Customer shall be billed for the net electricity supplied by City Light, at the rate and with the same customer charge(s) paid by other customers of City Light in the same rate class.

6.4. If the electricity generated by the Customer's DER exceeds the electricity consumed by the Customer and is distributed back to City Light during the billing period, then the Customer (i) shall be billed for the same customer charge(s) paid by other customers of City Light in the same rate class; and shall be credited for the net excess kilowatt-hours ("kWh") generated during the billing period, with this kWh credit appearing on the Customer's bill for the following billing period; and (ii) agrees that in each new Net Metering fiscal year beginning April 1 of each year, any and all kWh credits remaining in the Customer's account at the time of the Customer's first scheduled meter reading of the new fiscal year shall be set to zero.

7. ACCESS TO PREMISES

City Light shall have 24-hour access to the Customer's premises and/or property containing the DER, including the metering, safety disconnect switch, and data acquisition equipment. City Light shall provide reasonable notice to the Customer when possible, prior to using its right of access.

8. ELECTRICITY EXPORT RESTRICTIONS

8.1 Outside of the DER disconnection conditions described in section 10, the Customer otherwise complying with this Agreement shall have no restrictions on DER export of electricity to the Electrical Distribution System, except those noted below in this section.

8.2 For DER located on the Network System, the DER shall not export electricity at any time.

8.3 For DER located on the Looped Radial System, the Customer shall adhere to any electricity export restrictions provided in writing by City Light during City Light's review of the interconnection application.

9. SAFETY DISCONNECT SWITCH

The DER shall include a safety disconnect switch capable of fully disconnecting the DER from the Electrical Distribution System. The safety disconnect switch shall meet the requirements specified in City Light Construction Standard 0097.03, "Installation of Solar Generation Facilities."

10. DISCONNECTION OF DER

10.1 The Customer may disconnect its DER at any time. If the Customer initiates a disconnect due to an emergency condition, the Customer shall immediately notify City Light of the condition. If the Customer will be permanently disconnecting the DER, the Customer shall notify City Light.

10.2 City Light may temporarily disconnect the DER for any of the following six (6) conditions or events as further described in the DER Interconnection Handbook: (i) unapproved interconnection, (ii) unapproved operation or equipment modification, (iii) emergency condition, (iv) forced outage, (v) adverse operating effects, or (vi) routine maintenance, construction, and repairs. City Light shall inform the Customer in advance of any scheduled disconnection, or as is reasonable after an unscheduled disconnection, and shall provide information to the Customer on reason(s) for the disconnection.

10.3 The Customer and City Light shall cooperate with each other to restore the DER and related facilities of the Electrical Distribution System to their normal operating state as soon as reasonably practicable following a temporary disconnection. However, if the disconnection is due to an unauthorized DER equipment modification by the Customer, the DER will not be reconnected by City Light until the unauthorized modification is authorized or removed.

11. INDEMNITY AND LIABILITY

11.1. The Customer hereby indemnifies and agrees to hold harmless and release the City of Seattle and its elected officials, City of Seattle and City Light officers, employees, and agents and each of the heirs, personal representatives, successors, and assigns of any of the foregoing, (collectively, the "Indemnities") from and against any and all losses, claims, damages, costs, demands, fines, judgments, penalties, obligations, payments, and liabilities, together with any costs and expenses (including without limitation attorneys' fees and out-of-pocket expenses and investigation expenses) incurred in connection with any of the foregoing, resulting from, relating to, or arising out of or in connection with: (i) any failure or abnormality in the operation of the Customer's DER, Interconnection Facilities, or any related equipment or wiring; (ii) any failure of the Customer to comply with the standards, specifications, or requirements referenced in this Agreement (including appendices hereto); (iii) any failure of the Customer to duly perform or observe any term, provision, covenant, agreement, or condition hereunder to be performed by or on behalf of the Customer; or (iv) any negligence or intentional misconduct of Customer related to operation of its DER, Interconnection Facilities, or any related equipment or wiring. Notwithstanding anything to the contrary in this Agreement, Customer is not obligated to indemnify, hold harmless, or defend Indemnities against any claim to the extent such claim or corresponding Losses arise out of or result from the City's negligence or willful misconduct, including that of its employees.

11.2. For a non-residential Customer only: In addition, as between the Parties and solely for the purpose of effectuating the indemnities contained in section 11.1, the Customer expressly waives any immunity, defense, or protection that may be granted to it under the Washington State Industrial Insurance Act, RCW Title 51, or any other industrial insurance, workers' compensation, or similar laws of the State of Washington. This section shall not be interpreted or construed as a waiver of Customer's right to assert any such immunity, defense, or protection directly against any of its own employees or such employee's estate or other representatives.

By initialing below, **non-residential** Customer certifies that the waiver of immunity contained in section 11.1 and 11.2 was mutually negotiated.

Customer: _____

12. CONSEQUENTIAL DAMAGES

Neither Party shall be liable under any provision of this Agreement for any losses, damages, costs, or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that

damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

13. INSURANCE

The Customer is not required to provide general liability insurance coverage as part of this Agreement nor is the Customer required to provide insurance coverage for damages to the Electrical Distribution System.

14. FORCE MAJEURE

14.1. A Force Majeure event shall mean an event: (i) that is beyond the reasonable control of the Party affected by the Force Majeure event ("Affected Party"); and (ii) that the Affected Party is unable to prevent or provide against by exercising reasonable diligence, including, but not limited to: any act of God; acts of war, public disorder, insurrection, or rebellion; floods, hurricanes, earthquakes, lightning, storms, and other natural calamities; explosions or fires; strikes, work stoppages, or other labor disputes; embargoes; sabotage; breakage or accident to machinery or equipment; or any order, regulation or restriction imposed by governmental, military, or lawfully established civilian authorities. A Force Majeure event does not include an act of negligence or intentional wrongdoing.

14.2 If a Force Majeure event prevents a Party from fulfilling any obligations under this Agreement, the Affected Party shall promptly notify the other Party of the existence of the Force Majeure event. The notification must specify in reasonable detail the circumstances of the Force Majeure event, its expected duration, and the steps that the Affected Party is taking to mitigate effects on its performance. The Affected Party shall keep the other Party informed on a continuing basis of developments relating to the Force Majeure event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the Force Majeure event cannot be reasonably mitigated by the Affected Party. The Affected Party shall use reasonable efforts to resume its performance as soon as possible.

14.3 Notwithstanding the above, Customer is not required to notify the utility about a brief power outage lasting up to 48 hours that prevents the Customer from exporting energy to City Light's distribution grid.

15. DEFAULT

15.1 Default exists where a Party, through either act or omission, has materially breached any provision of this Agreement, or has failed to comply with existing law or regulations.

15.2 Upon a default, the non-defaulting Party shall give written notice of such default to the defaulting Party. Except as provided in section 15.3, the defaulting Party shall have thirty (30) calendar days from receipt of the default notice within which to cure such default. City Light may extend the period to cure based on circumstances and upon its sole discretion.

15.3 If a default is not cured as provided in this section, or if a default is not capable of being cured within the period provided for herein, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and shall be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this section will survive termination of this Agreement.

16. ASSIGNMENT

16.1 This Agreement may be assigned by either Party only as provided in this section below upon fifteen (15) business days' written notice to the other Party.

16.2 Either Party shall have the right to assign this Agreement without the consent of the other Party to any affiliate of the assigning Party and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement. That right includes the Customer's ability to assign this Agreement to a subsequent occupant of its premises. Assignment is only effective after the assignee provides written

notice of the assignment to City Light and provides written acceptance of the Customer's responsibilities under this Agreement.

16.3 The Customer shall have the right to assign this Agreement, without the consent of City Light, for collateral security purposes in financing for the DER.

16.4 All other assignments shall require the written consent of the non-assigning Party, and such consent shall not be unreasonably withheld.

17. SUBCONTRACTORS

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors or any other agents to comply with all applicable terms and conditions of this Agreement in providing such services, and each Party shall remain liable for the performance of such subcontractor or agent.

18. ENTIRE AGREEMENT

This Agreement sets forth the entire agreement of the Parties, and the rights and obligations of the Parties hereunder shall be subject to and governed by this Agreement. This Agreement does not limit City Light's authority provided to it under the SMC, including but not limited to Chapter 21.

19. MULTIPLE COUNTERPARTS

This Agreement may be executed in two (2) or more counterparts, each of which is deemed an original but all of which constitute one (1) and the same Agreement.

20. GOVERNING LAW; VENUE

This Agreement shall be governed by and construed in accordance with the laws of the State of Washington (regardless of the laws that might otherwise govern under applicable principles of conflicts of law of such state). Venue for any action arising under or in connection with this Agreement shall be in the Superior Court for King County, Washington, or in the United States District Court for the Western District of Washington.

21. AMENDMENT; MODIFICATIONS OR WAIVER

Any amendments or modifications to this Agreement shall be in writing and agreed to by both Parties.

22. SEVERABILITY

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other governmental authority, (i) such portion or provision shall be deemed separate and independent, (ii) the Parties shall negotiate in good faith to restore, insofar as practicable, the benefits to each Party that were affected by such ruling, and (iii) the remainder of this Agreement shall remain in full force and effect.

23. WAIVER

23.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

23.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any failure to comply with any other obligation, right, or duty of this Agreement.

24. DISPUTE RESOLUTION

24.1 Establishing Informal Meeting to Seek Resolution: For a dispute related to DER interconnection, the Customer or City Light (each a "Party" and collectively "the Parties") shall first (i) submit a written request to the other Party describing the relevant facts, the nature of the dispute, and the relief sought, and (ii) request an informal meeting by phone, by electronic media (such as a video conference), or in-person to attempt to

resolve the dispute. Following such a request, each Party shall make available a person with authority to resolve the dispute to attend the meeting. The meeting shall be scheduled for at least one hour, but it may be shorter at the option of the Party requesting the meeting. The meeting shall be scheduled at a time and in a manner agreeable to the Party receiving the request within three business days of the Party's receipt of the request for a meeting and shall occur within 10 business days of that Party's receipt of the request for a meeting. If a dispute involves technical issues, persons with sufficient technical expertise and familiarity with the issues in dispute from each Party shall also attend the informal meeting.

24.2 Additional Mechanisms for Resolution: If an informal meeting between the Parties does not resolve the dispute, the Parties may mutually agree to further discussions, or mediation. If the Parties decide to mediate the dispute, the Parties shall mutually agree upon a mediator to assist them in resolving their differences. Any reasonable expenses incidental to mediation shall be borne equally by the Parties. If the Parties fail to resolve their dispute through mediation, either Party may pursue a remedy by way of formal legal action brought in King County Superior Court. Each Party will be responsible for the payment of their own attorneys' fees.

25. TERM OF AGREEMENT; TERMINATION

25.1 This Agreement shall remain in effect unless terminated in accordance with section 25.2.

25.2. This Agreement may be terminated under the following conditions:

25.2.1 By the Customer at any time by giving City Light twenty (20) business days' written notice.

25.2.2 By City Light if the DER fails to operate for any consecutive twelve (12)-month period, or at any time by giving the Customer twenty (20) business days' written notice.

25.2.3 By the non-defaulting Party if an event of Default has not been cured by the defaulting Party per section 15.

25.3 If this Agreement is terminated, City Light shall have the right to disconnect its related facilities, and customer may incur any fees associated with the disconnection.

25.4 If this Agreement is terminated, the Customer shall disconnect its DER from the Electrical Distribution System as soon as reasonably possible and shall notify City Light of such disconnection. Removal of any facilities constructed by the Customer shall be done by the Customer at the Customer's sole expense.

25.5 This Agreement shall continue in effect after termination to the extent necessary to allow or require either Party to fulfill rights or obligations that arose under the Agreement.

26. NOTICES AND OTHER COMMUNICATIONS

26.1 All notices, requests, demands, and other communications required or permitted to be given under this Agreement shall be given in writing by (i) personal delivery, (ii) recognized overnight air courier service, (iii) United States postal service, postage prepaid, registered, or certified mail, return receipt requested, or (iv) email. Physical written notice is the preferred method. If notices or other communications are provided via email, proof of receipt from the recipient such as a reply email is required. All notices to either Party shall be made to the physical or email addresses set forth below. Any notice shall be deemed to have been given on the date delivered, if delivered personally, by overnight air courier service, or by email; or, if mailed, notice shall be deemed to have been given on the date shown on the return receipt as the date of delivery or the date on which the United States postal service certified that it was unable to deliver, whichever is applicable.

26.2

Customer Name	
Attention (If different from Customer Name)	
Address	
Email	

Email: SCL_SolarRequest@seattle.gov

27. SIGNATURES

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

FOR SEATTLE CITY LIGHT:

DER is located on the City Light Network System	(YES/NO)
Signature	
Name	(Printed)
Title	
Date of Signature	

FOR THE CUSTOMER:

Signature	
Name	(Printed)
Title (for non-residential Customers)	
Date of Signature	

APPENDIX A: DER DESCRIPTION

Customer Name (as it appears on City Light bill)	
Customer Account Number (as it appears on City Light bill)	
DER Street Address	
DER City, State, ZIP	
Type of DER (standalone PV, PV + battery storage, standalone battery storage, other)	(Please describe)
Total DER Nameplate Capacity (kW-AC)	
If applicable, PV Nameplate Capacity (kW-AC)	
If applicable, Battery Storage Nameplate Capacity (kW-AC)	
Date the Interconnection Application was Submitted to City Light	