



Self-Generation Incentive Program
 Program Administrator
 Southern California Gas Company
 555 West Fifth Street, GT-22H4
 Los Angeles, CA 90013-1011

SELF-GENERATION INCENTIVE PROGRAM CONTRACT

BETWEEN **PROGRAM ADMINISTRATOR, HOST CUSTOMER, AND SYSTEM OWNER**

This Contract is made by and between _____ (Host Customer), organized and existing under California law, jointly and severally with _____ (System Owner), organized and existing under California law, and _____ (Program Administrator), a California corporation. If a separate System Owner is not designated, the Host Customer will be the designated System Owner for the purpose of this Contract. Capitalized terms not defined herein are given the same meaning as that provided in Appendix C hereto, the Self-Generation Incentive Program Handbook.

1.0 PROGRAM OVERVIEW AND PROJECT DESCRIPTION - The Self-Generation Incentive Program ("Program" or "SGIP"), authorized by the California Public Utilities Commission (CPUC) in Decisions 01-03-073 and 04-12-045, encourages the installation of several types of self-generation technologies, both renewable and non-renewable, at customer sites in California. The Program offers differential incentives for self-generation technologies (SG Unit(s)) differentiated by their technology, fuel type, air emissions characteristics, and system costs. The Program, to be funded by California investor-owned utility customers, is administered by Program Administrator for customers within its service territory, under the auspices of the CPUC. Customers who participate in the Program must be current retail level electric or gas distribution customers of Program Administrator at the facility where the SG Unit(s) will be installed.

1.1 The Program provides several levels of incentive payments by technology, subject to the availability of Program funds. The different levels of payments and other details are set forth in detail in Appendix C hereto, the Self-Generation Incentive Program Handbook. Installation and operation of the SG Unit(s) (also referred to as the "Project") must be verified by Program Administrator or its designee(s) in accordance with this Contract before incentive payment can be made. Host Customer and System Owner must also agree to permit the Program's Measurement and Evaluation (M&E) consultant to measure and verify the amount of energy production in accordance with the M&E consultant's approved M&E Plan, as described in the Section 5.2 of Appendix C. Finally, Host Customer and System Owner must also agree to provide any additional cost information requested by Program Administrator in order to substantiate total qualifying Project cost.

1.2 The Program requires that the SG Unit(s) be covered by warranties of three, or in some cases five, years, depending on the type of SG Unit(s) involved, as described in Appendix C, Section 2.5.12.

1.3 This Contract is limited to the Project described on the Reservation Request Form (Reservation No. _____) attached hereto as Appendix A. If all Program and Contract terms and conditions are complied with, Program Administrator will pay an incentive to party designated as the incentive recipient on Appendix A. Program Administrator reserves the right to modify or cancel the incentive offer if the actual installation of SG Unit(s) differs from the proposed installation described in Appendix A. SG Unit(s) must also be installed by the date shown on the Reservation Confirmation and Incentive Claim Form to be issued by Program Administrator after all required Proof of Project Advancement items are submitted.

2.0 DOCUMENTS INCORPORATED BY REFERENCE - The following documents set forth additional terms, conditions and requirements of this Contract:

Appendix A – Self-Generation Incentive Program "Reservation Request Form"

Appendix B – Waste Gas Fuel Affidavit (if applicable)

Appendix C – Self-Generation Incentive Program Handbook, Revision 0 dated January 15, 2006, or as subsequently amended.

Appendix D – Insurance Requirements

Appendix E – System Description Worksheet

Appendix F – Renewable Fuel Affidavit (if applicable)

Host Customer and System Owner each acknowledge having received and read, and agree to be bound by Appendices A, B, C, D, E, and F, copies of which were previously provided or are available to Host Customer and System Owner, and the terms of which are incorporated herein by reference as though set forth in full. Should a conflict exist between this Contract and these Appendices, this Contract shall control.

3.0 OTHER PROGRAM DOCUMENTS – The following forms set forth additional terms, conditions, and requirements of the Program:

Appendix G – Self-Generation Incentive Program “Reservation Confirmation and Incentive Claim Form”

Appendix H – “Final Project Cost Affidavit” form

Host Customer and System Owner each acknowledge having received copies of these forms, and that these forms, when completed, set forth additional Program terms and requirements. Host Customer and System Owner further acknowledge that Appendices G and H contain certifications by Host Customer and System Owner, which certifications shall be true, accurate, and complete.

4.0 SUBMITTAL REQUIREMENTS FOR PAYMENT - As a condition of payment, the Host Customer or System Owner shall submit to Program Administrator, within the deadlines established by Program Administrator, the documents described in Appendix C, Section 4. Each document requires review and Program Administrator's written approval before Host Customer and System Owner may move on to the next stage of the application process.

4.1 The **Self-Generation Incentive Program Reservation Request Form** - (Appendix A or “Request Form”) describes the Project, lists the SG Unit(s) that will be installed in the Project, and estimates its size (system rated capacity according to Appendix C Section 2.5.4) and its costs (including interconnection fees and in some cases warranty costs). When Host Customer or System Owner submits the Request Form to Program Administrator, it shall include the applicable items listed in Appendix C, Section 4.3.2, Program Administrator will review the Request Form and, if the Project appears to meet eligibility requirements, Program Administrator will make a conditional reservation of funds for the Project and will send Host Customer and System Owner a Conditional Reservation Notice Letter, the description of which is provided in Appendix C, Section 4.3.8.

5.0 Proof of Project Advancement - Within the prescribed number of days, as defined in Appendix C, Section 4.4, of the date on the Conditional Reservation Notice Letter, Host Customer or System Owner must submit the applicable Proof of Project Advancement items listed in Appendix C, Section 4.4.1, to demonstrate to Program Administrator that the Project is progressing and that there is a substantial commitment to complete the Project.

After Program Administrator reviews the Proof of Project Advancement items and determines that the Project has met all the necessary criteria, Program Administrator will send Host Customer and System Owner the Reservation Confirmation and Incentive Claim Form (“Claim Form”). This Claim Form will list the specific reservation amount and the reservation expiration date.

6.0 Reservation Confirmation and Incentive Claim Form - Upon Project completion, and prior to the reservation expiration date, Host Customer and System Owner must complete and submit the Claim Form to request an incentive payment. In addition to the completed Claim Form, the Host Customer or System Owner must submit the applicable items listed in Appendix C Section 4.5.3.

7.0 The **Field Verification Visit** by the Program Administrator or its contractor(s) will verify that the SG Unit(s) have been installed and are operating in accordance with the Request Form, Claim Form and required accompanying information. No incentive payment can be made until the final Field Verification Visit report has been satisfactorily completed. The terms and conditions for the Field Verification Visit are set forth below, in Section 8.1.

8.0 INSPECTIONS AND MEASUREMENT & EVALUATION (M&E) ACTIVITIES - As a condition of receiving incentive payments, Host Customer and System Owner must ensure that Program Administrator or its authorized agent and the Program M&E consultant have access to the Project Site(s) for all Field Verification Visits, Field M&E Visits, and M&E data collection activities summarized below and described in detail in Appendix C, Sections 4.5.7 and 5.2.1. Incentive payments will not be made if the Field Verification Visit shows that the SG Unit(s) have not been properly installed or are not operational in accordance with the Request Form, Claim Form and required accompanying information.

8.1 After complete, proper installation of the SG Unit(s) and submittal of the applicable items listed in Appendix C Section 4, the Program Administrator or its authorized agent will schedule and complete a **Field Verification Visit** to verify that the SG Unit(s) have been installed and are operating in accordance with the Request Form, Claim Form and required accompanying information. During the Field Verification Visit, Host Customer and System Owner must provide access to the SG Unit(s) and must demonstrate the operation of the SG Unit(s). During the Field Verification Visit, Host Customer and System Owner must ensure that someone is present for an interview who is knowledgeable about the SG Unit(s) and their operation, and must allow photographs of the SG Unit(s) and its related systems to be taken.

8.2 At the **Field Verification Visit**, Program Administrator or its authorized agent will check the installed SG Unit(s) to verify that the SG Unit(s) described in Appendix A have been properly installed and are operating in accordance with the Request Form, Claim Form and accompanying information. Incentive payment will not be made if the **Field Verification Visit** report shows that the SG Unit(s) have not been properly installed or are not operational in accordance with the Request Form, Claim Form and required accompanying information.

8.3 The Host Customer and System Owner agree to participate in M&E activities as discussed in Appendix C, Section 5.2. For systems with Host Customer, System Owner, and/or third party installed monitoring equipment, the Host Customer and System Owner agree to provide system monitoring data (including but not limited to electric, gas, thermal and/or other relevant fuel input data) to the M&E consultant. Furthermore, the Host Customer and System Owner agree to cooperate with the installation of any additional monitoring equipment that the M&E consultant may deem necessary in its sole discretion.

8.4 Host Customer and System Owner agree to allow the Program Administrator or its Measurement & Evaluation contractor access to the Host Customer's Site to develop and implement a Measurement and Evaluation Plan for the SG Unit(s) and its related systems in support of Measurement and Evaluation activities discussed in Appendix C, Section 5.2. The same terms and conditions specified for Field Verification Visits in Section 8.1 will apply to such field Measurement and Evaluation Visits.

9.0 PAYMENT - The incentive payment check will be made payable to the entity designated in writing by System Owner and Host Customer only after the appropriate documents have been submitted (within the deadlines established by Program Administrator) and approved, and the Field Verification Visit report has been satisfactorily completed, in accordance with the Program rules set forth in Appendix C. Program Administrator's determination of the incentive amount is final and the System Owner and Host

Customer each agree to accept this determination. The incentive payment constitutes final and complete payment.

9.1 System Owner and Host Customer may designate in writing a third party to whom Program Administrator shall make the approved incentive payment.

10.0 REVIEW AND DISCLAIMER - Program Administrator's review of the design, construction, installation, operation or maintenance of the Project or the SG Unit(s) is not a representation as to their economic or technical feasibility, operational capability, or reliability. System Owner and Host Customer each agrees that neither of them will make any such representation to any third party. System Owner and Host Customer are solely responsible for the economic and technical feasibility, operational capability, and reliability of the Project and the SG Unit(s).

11.0 RENEWABLE FUEL LEVELS - For fuel cells, micro-turbines, internal combustion engines and gas turbines running on renewable fuel, System Owner and Host Customer shall not, for the applicable period described below or the life of the applicable SG Unit, whichever is shorter, use fossil fuel for more than 25% of its total annual fuel requirements for such SG Unit(s) in any calendar year.

- Five years for fuel cell(s).
- Three years for micro-turbines, internal combustion engines and gas turbines.

11.1 In the event the System Owner or Host Customer fails to comply with Section 11.0 above, then System Owner and/or Host Customer shall, within 30 days of receipt of a written demand from Program Administrator, reimburse Program Administrator all incentive payments paid by Program Administrator pursuant to the Program and this Contract. Such reimbursement shall be in the form of a certified check or cash payable to Program Administrator.

11.2 In order to ensure payment in the event the System Owner or Host Customer fails to reimburse Program Administrator pursuant to Section 11.1 above, the Program Administrator may, in its sole discretion, require a bond or other forms of security acceptable to Program Administrator. Acceptable forms of security include cash deposit, irrevocable letter of credit, surety bond from an "A" rated company by A.M. Best, assignment of certificate of deposit, or corporate guarantee (guarantor subject to creditworthiness review).

12.0 WASTE GAS FUEL PROJECTS - For micro-turbines, internal combustion engines and gas turbine projects running on waste gas fuel, System Owner and Host Customer shall, for the applicable three year warranty period or the life of the applicable SG Unit, whichever is shorter, operate the applicable SG Unit solely on waste gas, *i.e.*, the total annual fuel requirements for such SG Unit in any calendar year shall be 100% met by waste gas.

12.1 In the event the System Owner or Host Customer fails to comply with Section 12.0 above and Section 12.0 applies to Applicant or Host Customer's project, then System Owner and/or Host Customer shall, within 30 days of receipt of a written demand from Program Administrator, reimburse Program Administrator all incentive payments paid by Program Administrator pursuant to the Program and this Contract. Such reimbursement shall be in the form of a certified check or cash payable to Program Administrator.

12.2 In order to ensure payment in the event the System Owner or Host Customer fails to reimburse Program Administrator pursuant to Section 12.1 above, the Program Administrator may, in its sole discretion, require a bond or other forms of security acceptable to Program Administrator. Acceptable forms of security include cash deposit, irrevocable letter of credit, surety bond from an "A" rated company by A.M. Best, assignment of certificate of deposit, or corporate guarantee (guarantor subject to creditworthiness review).

13.0 TERMS AND TERMINATION

13.1 The Term of this Contract shall begin on the date that the last party signs it, and shall terminate no later than twice the length of the required warranty; which for wind turbine and fuel cell systems is ten years, for microturbine, internal combustion engine and gas turbine systems is six years; unless terminated earlier pursuant to the operation of this Contract, or unless modified by order of the CPUC or by written agreement of the parties.

13.2 The Contract may be terminated by Program Administrator in the event (a) System Owner or Host Customer fails to perform a material obligation under this Contract and System Owner or Host Customer fails to cure such default within 15 days of receipt of written notice from Program Administrator of such failure to perform a material obligation, or (b) any statement, representation or warranty made by System Owner or Host Customer in connection with the Program or this Contract is false, misleading or inaccurate on the date as of which it is made.

13.3 The termination of this Contract shall not operate to discharge any liability, which has been incurred by either party prior to the effective date of such termination.

14.0 PERMANENT INSTALLATION - Equipment installed under this Program is intended to be in place for the duration of its useful life. Only permanently installed systems are eligible for incentives. This means that the System Owner and/or Host Customer must demonstrate to the satisfaction of the Program Administrator that the SG Unit(s) has both physical and contractual permanence prior to Program Administrator's paying any incentive.

Physical permanence is to be demonstrated by the SG Unit(s)' electrical, thermal and fuel connections in accordance with industry practice for permanently installed equipment and its secure physical attachment to a permanent surface (e.g. foundation). Any indication of portability, including but not limited to: temporary structures, quick disconnects, unsecured equipment, wheels, carrying handles, dolly, trailer or platform will render the SG Unit(s) ineligible for incentives.

Contractual permanence, corresponding to a minimum of twice the applicable warranty period, is to be demonstrated as follows:

System Owner agrees to notify the Program Administrator in writing a minimum of sixty (60) days prior to any change in either the Site location of the SG Unit(s), or change in ownership of the SG Unit(s). An additional agreement between the System Owner and the Program Administrator may be required at the Program Administrator's sole discretion in order to safeguard against the possibility of early removal and relocation of the generation system. This additional agreement, if required, must be negotiated to the satisfaction of the Program Administrator.

15.0 OTHER AGREEMENTS - All agreements involving the Project including, but not limited to, sales agreements, warranties, leases, energy service agreements, agreements for the sale of trade of RECs, and/or energy savings guarantees, must be disclosed and provided to the Program Administrator as soon as they are available and in no event later than submission of the Claim Form.

16.0 ASSIGNMENT- System Owner and Host Customer consent to Program Administrator's assignment of all of Program Administrator's rights, duties and obligations under this Contract to the CPUC and/or its designee. Any such assignment shall relieve Program Administrator of all rights, duties and obligations arising under this Contract. Neither System Owner nor Host Customer shall assign its rights or delegate its duties without the prior written consent of Program Administrator or its assignee, if any, except in connection with the sale or merger of a substantial portion of its assets. Any such assignment or delegation without the prior written consent of Program Administrator or its assignee, if any, shall be null and void. Consent to assignment shall not be unreasonably withheld or delayed. System Owner and Host Customer must provide assurance of the success of a Project if assigned by providing any additional information requested by Program Administrator.

17.0 PERMITS AND LICENSES – System Owner and/or Host Customer, at their own expense, shall obtain and maintain all licenses and permits needed to successfully perform work on the Project.

18.0 INSURANCE – System Owner and Host Customer shall, at their own expense, maintain the insurance coverage set forth in Appendix D, or an equivalent amount of self-insured coverage satisfactory to Program Administrator, and shall submit proof of such insurance to Program Administrator as part of the Proof of Project Advancement described in Section 5.0 of this Contract.

19.0 ADVERTISING, MARKETING AND USE OF PROGRAM ADMINISTRATOR'S NAME – System Owner and Host Customer shall not use Program Administrator's corporate name, trademark, trade name, logo, identity or any affiliation for any reason, including soliciting persons to participate in the Project, without the prior written consent of Program Administrator. System Owner and Host Customer shall make no representations on behalf of Program Administrator.

20.0 INDEPENDENT CONTRACTOR - In assuming and performing the obligations of this Contract, System Owner and Host Customer are each an independent contractor and neither shall be eligible for any benefits which Program Administrator may provide its employees. All persons, if any, hired by System Owner and/or Host Customer shall be their respective employees, subcontractors, or independent contractors and shall not be considered employees or agents of Program Administrator.

21.0 RIGHT TO AUDIT AND REPORT INFORMATION - Program Administrator shall be allowed to periodically audit System Owner's and Host Customer's records related to the work done under this Contract, and report the results of its audit to the CPUC or its designee. System Owner and Host Customer must provide all requested Project documents to Program Administrator upon written request, and must, for 5 years following Contract termination, maintain copies of all Project documents, including, but not limited to, Contracts, invoices, purchase orders, reports, and all back-up documents, for Program Administrator's review.

22.0 INDEMNIFICATION

22.1 To the greatest extent permitted by applicable law, System Owner and Host Customer shall each indemnify, defend and hold harmless Program Administrator, its affiliates, subsidiaries, current and future parent company, officers, directors, agents and employees, from and against all claims, demands, losses, damages, costs, expenses, and liability (legal, contractual, or otherwise), which arise from or are in any way connected with any: (i) injury to or death of persons, including but not limited to employees of Program Administrator, Host Customer, System Owner, or any third party; (ii) injury to property or other interests of Program Administrator, Host Customer, System Owner, or any third party; (iii) violation of local, state or federal common law, statute, or regulation, including but not limited to environmental laws or regulations; or (iv) strict liability imposed by any law or regulation; so long as such injury, violation, or strict liability (as set forth in (i) - (iv) above) arises from or is in any way connected with this Contract or System Owner's or Host Customer's performance of, or failure to perform, this Contract, however caused, regardless of any strict liability or negligence of Program Administrator whether active or passive, excepting only such loss, damage, cost, expense, liability, strict liability, or violation of law or regulation that is caused by the willful misconduct of Program Administrator, its officers, managers, or employees.

22.2 System Owner and Host Customer each acknowledges that any claims, demands, losses, damages, costs, expenses, and legal liability that arise out of, result from, or are in any way connected with the release or spill of any hazardous material or waste as a result of the work performed under this Contract are expressly within the scope of this indemnity, and that the costs, expenses, and legal liability for environmental investigations, monitoring, containment, abatement, removal, repair, cleanup, restoration, remedial work, penalties, and fines arising from strict liability, or violation of any local, state, or federal law or regulation, attorney's fees, disbursements, and other response costs incurred as a result of such releases or spills are expressly within the scope of this indemnity.

22.3 System Owner and Host Customer each shall, on Program Administrator's request, defend any action, claim or suit asserting a claim which might be covered by this indemnity. System Owner and Host Customer shall pay all costs and expenses that may be incurred by Program Administrator in enforcing this indemnity, including reasonable attorney's fees. This indemnity shall survive the termination of this Contract for any reason.

23.0 LIMITATION OF LIABILITY - Program Administrator shall not be liable to System Owner, Host Customer or to any of their respective subcontractors for any special, incidental, indirect or consequential damages whatsoever, including, without limitation, loss of profits or commitments, whether in contract, warranty, indemnity, tort (including negligence), strict liability or otherwise arising from Program Administrator's performance or nonperformance of its obligations under the Contract.

24.0 VENUE - This Contract shall be interpreted and enforced according to the laws of the State of California. Sole jurisdiction and venue shall be with the courts in _____ County, California.

25.0 DISPUTE RESOLUTION - The parties to this Contract shall attempt in good faith to resolve any dispute arising out of or relating to this Contract promptly by negotiations between a vice president of Program Administrator or his or her designated representative and an executive of similar authority from System Owner and/or Host Customer. Either party must give the other party or parties written notice of any dispute. Within thirty (30) calendar days after delivery of the notice, the executives shall meet at a mutually acceptable time and place, and shall attempt to resolve the dispute. If the matter has not been resolved within thirty (30) calendar days of the first meeting, any party may pursue other remedies, including mediation. All negotiations and any mediation conducted pursuant to this clause are confidential and shall be treated as compromise and settlement negotiations, to which Section 1152.5 of the California Evidence Code shall apply, and Section 1152.5 is incorporated herein by reference. Notwithstanding the foregoing provisions, a party may seek a preliminary injunction or other provisional judicial remedy if in its judgment such action is necessary to avoid irreparable damage or to preserve the status quo. Each party is required to continue to perform its obligations under this Contract pending final resolution of any dispute arising out of or relating to this Contract.

26.0 INTEGRATION AND MODIFICATION - This Contract and its appendices constitute the entire Contract and understanding between the Parties as to its subject matter. It supersedes all prior or contemporaneous contracts, commitments, representations, writings, and discussions between System Owner, Host Customer, and Program Administrator, whether oral or written, and has been induced by no representations, statements or contracts other than those expressed herein.

NO AMENDMENT, MODIFICATION OR CHANGE TO THIS CONTRACT SHALL BE BINDING OR EFFECTIVE UNLESS EXPRESSLY SET FORTH IN WRITING AND SIGNED BY PROGRAM ADMINISTRATOR'S REPRESENTATIVE AUTHORIZED TO SIGN THE CONTRACT.

Notwithstanding the foregoing, this Contract is subject to such changes or modifications by the CPUC as it may, from time to time, direct in the exercise of its jurisdiction over Program Administrator. Furthermore, this Contract is subject to change or modification by the Program Working Group, as it may from time to time make to the Program in the exercise of its jurisdiction over the implementation of the Program. For purposes of this Contract, the "Program Working Group" shall constitute certain staff of each California investor-owned utility, the San Diego Regional Energy Office, California Energy Commission and the Energy Division of the CPUC.

27.0 NO THIRD PARTY BENEFICIARIES - This Contract is not intended to confer any rights or remedies upon any other persons other than the undersigned parties hereto.

By execution of this Contract, System Owner and Host Customer each certifies the Project meets all Program eligibility requirements, and that the information supplied in Appendix A is true and correct. System Owner and Host Customer further certify that System Owner and Host Customer have read and

understand the Self-Generation Incentive Program documents described in Appendix C and agree to abide by the rules and requirements set forth in this Contract and in Appendices A, B, C, D, E, F, G and H as applicable.

System Owner and Host Customer each declare under penalty of perjury under the laws of the State of California that 1) the information provided in the attached Request Form is true and correct to the best of my/our knowledge, 2) they have each read the Host Customer and System Owner Agreement set forth in Appendix A and agree to terms therein, 3) SG Unit(s) described in the Request Form are new and intended to offset part or all of the Host Customer's electrical needs at the Site of installation, 4) the Site of installation is located within the Program Administrator's service territory, 5) the SG Unit(s) are not intended to be used solely as a backup generator, and 6) the Host Customer and the System Owner each has received a copy of this Contract and the completed Request Form.

In witness whereof, the parties have executed this Contract as of the latest date below.

HOST CUSTOMER

SYSTEM OWNER

(IF DIFFERENT THAN HOST CUSTOMER)

Signature: _____

Signature: _____

Name Printed: _____

Name Printed: _____

Title: _____

Title: _____

Company Name: _____

Company Name: _____

Date: _____

Date: _____

PROGRAM ADMINISTRATOR

Signature: _____

Name Printed: _____

Title: _____

Company Name: _____

Date: _____

All communications under this Contract shall be forwarded directly to:

Self-Generation Incentive Program
Program Administrator
Southern California Gas Company
555 West Fifth Street, GT-22H4
Los Angeles, CA 90013-1011

APPENDIX D—INSURANCE COVERAGE REQUIREMENTS

Workers' Compensation and Employers' Liability: Worker's Compensation insurance or self-insurance indicating compliance with any applicable labor codes, acts, laws or statutes, state or federal, where Project work is performed. Employers' Liability insurance shall not be less than \$1,000,000 for injury or death each accident.

Commercial General Liability: Coverage shall be at least as broad as the Insurance Services Office (ISO) Commercial General Liability Coverage "occurrence" form, with no coverage deletions.

- (a) Two million dollars (\$2,000,000) for each occurrence if the Gross Nameplate Rating of Producer's Generating Facility is greater than one hundred (100) kW;
- (b) One million dollars (\$1,000,000) for each occurrence if the Gross Nameplate Rating of Producer's Generating Facility is greater than twenty (20) kW and less than or equal to one hundred (100) kW; and
- (c) Five hundred thousand dollars (\$500,000) for each occurrence if the Gross Nameplate Rating of Producer's Generating Facility is twenty (20) kW or less.
- (d) Two hundred thousand dollars (\$200,000) for each occurrence if the Gross Nameplate Rating of Producer's Generating Facility is ten (10) kW or less and Producer's Generating Facility is connected to an account receiving residential service from SCE. Coverage shall:

- a) By "Additional Insured" endorsement add as insured's Program Administrator, its affiliates, subsidiaries, and parent company, and Program Administrator's directors, officers, agents and employees, with respect to liability arising out of or connected with the work performed by or for the Host Customer and/or System Owner (ISO Form CG2010 or equivalent is preferred). In the event the Commercial General Liability policy includes a "blanket endorsement by contract," the following language added to the certificate of insurance will satisfy this requirement: Program Administrator, its affiliates, subsidiaries, and parent company, Program Administrator's directors, officers, agents and employees, with respect to liability arising out of the work performed by or for the System Owner and/or Host Customer are additional insured's under a blanket endorsement;" and
- b) Be endorsed to specify that the System Owner's and Host Customer's insurance is primary and that any insurance or self-insurance maintained by the Program Administrator shall not contribute with it.

Business Auto: Coverage shall be at least as broad as the Insurance Services Office (ISO) Business Auto Coverage form covering Automobile Liability, code 1 "any auto." The limit shall not be less than \$1,000,000 each accident for bodily injury and property damage.

Additional Insurance Provisions: As part of proof of project advancement documentation, System Owner and Host Customer shall furnish Program Administrator with certificates of insurance and endorsements of all required insurance for System Owner and Host Customer. The documentation shall state that coverage shall not be canceled except after thirty (30) days prior written notice has been given to Program Administrator. The documentation must be signed by a person authorized by that insurer to bind coverage on its behalf and shall be submitted to the Program Administrator at this address:

Mailing address:	Street address (for overnight deliveries):
Self-Generation Incentive Program Program Administrator Southern California Gas Company 555 West Fifth Street, GT-22H4 Los Angeles, CA 90013-1011	Self-Generation Incentive Program Program Administrator Southern California Gas Company 555 West Fifth Street, GT-22H4 Los Angeles, CA 90013-1011

Certain exceptions may be made by the Program Administrator if the insurance requirements are not a business or statutory requirement. Any such exception must be requested by the System Owner or Host Customer and will be reviewed by the Program Administrator on a case-by-case basis.

A copy of all such insurance documents shall be sent to Program Administrator's Contract negotiator and Project Administrator. Program Administrator may inspect the original policies or require complete

certified copies at any time. Upon request, System Owner and Host Customer shall furnish Program Administrator the same evidence of insurance for its Subcontractors, as Program Administrator requires of System Owner and Host Customer.