



## INTERCONNECTION AGREEMENT FOR GENERATING OR STORAGE FACILITIES

This Interconnection Agreement for Generating or Storage Facilities (“**Interconnection Agreement**”) is by and between Kifer Energy Storage LLC, a Delaware limited liability company (“**Kifer**”), and the City of Santa Clara, California, a chartered California municipal corporation (“**City**” or “**SVP**”), doing business as Silicon Valley Power. SVP and Kifer may be referred to individually as a “**Party**” or collectively as the “**Parties**” or the “**Parties to this Interconnection Agreement**”. The Parties agree as follows:

### 1. SCOPE OF THIS AGREEMENT

- 1.1 Kifer and SVP agree to abide by the terms and conditions of this Interconnection Agreement, including (a) Exhibit A “Technical Requirements” (attached hereto and incorporated herein by reference) and (b) applicable SVP’s Rules and Regulations in effect and as amended from time to time. If and to the extent of any conflict between any provision(s) of this Agreement and any provision(s) of SVP’s Rules and Regulations, the provision(s) of the SVP’s Rules and Regulations shall control, provided that SVP agrees not to modify SVP’s Rules and Regulations following the Effective Date in a manner that imposes requirements on Kifer that are materially more burdensome than requirements imposed generally in the market by other similarly situated distribution and transmission system operators on other utility-scale battery energy storage systems, unless SVP compensates Kifer for Kifer’s costs and losses associated with compliance with such modification.
- 1.2. Kifer agrees that, during the term of the Energy Storage Agreement, it will not sell, or otherwise provide, electricity discharged by its Facility except as provided in the Energy Storage Agreement.

### 2. DEFINITIONS

- 2.1. “**CAISO**” means the California Independent System Operator Corporation or any successor entity performing similar functions.
- 2.2. “**CAISO Grid**” has the same meaning as “**CAISO Controlled Grid**” as defined in the CAISO Tariff.
- 2.3. “**Delivery Point**” has the meaning set forth in the Energy Storage Agreement.
- 2.4. “**Distribution System**” means those non-CAISO transmission and distribution facilities owned, controlled, and operated by SVP that are used to provide distribution service to its customers.
- 2.5. “**Effective Date**” has the meaning in Section 16.2.
- 2.6. “**Electric Service**” has the meaning set forth in SVP’s Rules and Regulations.
- 2.7. “**Energy Storage Agreement**” or “**ESA**” means the Energy Storage Agreement executed between the Parties on \_\_\_\_\_, 2023 for purchase of energy storage services from the Facility.
- 2.8. “**Facility**” has meaning set forth in the Energy Storage Agreement.

- 2.9. “**Force Majeure Event**” or “**Force Majeure**” have the meanings set forth in the Energy Storage Agreement.
- 2.10. “**Law**” has the meaning set forth in the Energy Storage Agreement.
- 2.11. “**MSS**” has the same meaning as “**Metered Subsystem**” as defined in the CAISO Tariff.
- 2.12. “**Premises**” has the same meaning as “**Premises**” in the Site Lease and “**Site**” in the Energy Storage Agreement.
- 2.13. “**Prudent Operating Practice**” has meaning set forth in the Energy Storage Agreement.
- 2.14. “**Site Lease**” means that certain Ground Lease between the City of Santa Clara (as Landlord) and Kifer Energy Storage LLC (as Tenant) executed and dated as of \_\_\_\_\_, 2023.
- 2.15. “**Scheduling Coordinator**” means, for the purposes of Section 11 of this Interconnection Agreement only, an entity designated by Kifer and certified by the CAISO as qualifying as a Scheduling Coordinator pursuant to the CAISO Tariff for the purposes of undertaking the functions specified in “Responsibilities of a Scheduling Coordinator” of the CAISO Tariff, as amended from time to time.
- 2.16. “**SVP’s Rules and Regulations**” means the Silicon Valley Power Rules and Regulations available at <https://www.siliconvalleypower.com/svp-and-community/rules-and-regulations>, and as amended by the Santa Clara City Council from time to time.
- 2.17. “**System Emergency**” has the meaning set forth in the Energy Storage Agreement.

### 3. **TERM OF AGREEMENT**

Subject to the termination provisions of Section 10 hereof, this Interconnection Agreement takes effect on the Effective Date, and shall continue in full force and effect until the date that is the earlier of (1) the twenty-fifth (25th) anniversary of the Commercial Operation Date under the ESA; or (2) the date on which the ESA and the Site Lease have both been terminated or expired.

### 4. **SUCCESSORS AND ASSIGNS**

This Interconnection Agreement shall not be assigned, except in the same manner as Article 14 of the Energy Storage Agreement but in no event earlier than the assignment of the Energy Storage Agreement and the Site Lease.

### 5. **PERMITS**

Kifer shall obtain and maintain permits or authorizations in accordance with the Energy Storage Agreement and Site Lease. To the extent that future Laws require the Kifer to obtain other permits or authorizations, Kifer shall so comply.

### 6. **INTERCONNECTION**

- 6.1. SVP shall provide Electric Service hereunder for the Facility in accordance with SVP’s Rules and Regulations.

- 6.2. Kifer shall not connect its Facility, or any portion of it, to SVP's electric Distribution System, until SVP approves the interconnections, which approval shall be accomplished in accordance with the Energy Storage Agreement and shall not unreasonably be withheld. City has the right to have representatives present at the initial testing of the Facility, and shall be notified forty-eight (48) hours in advance of said testing.
- 6.3. Kifer shall receive and deliver energy to and from the Facility at the Delivery Point.
- 6.4. Following normal operational outages and interruptions, Kifer may not reconnect to SVP's electric Distribution System without notifying SVP.
- 6.5. Kifer shall not reconnect its Facility to SVP's electric Distribution System if SVP has disconnected Electric Service to the Facility or SVP has notified Kifer that a reasonable possibility exists that reconnection would pose a hazard, all in accordance with Section 8 below.

## **7. METERING**

- 7.1. Metering requirements for the Facility are set forth in Article 7 of the Energy Storage Agreement and applicable provisions of SVP's Rules and Regulations.
- 7.2. Meters, which are required for the Facility in accordance with Section 7.1 of the Energy Storage Agreement, shall be provided by SVP and paid for by Kifer. Meter location(s) shall be inspected and approved by SVP prior to meter installation and will be subject to periodic inspections as SVP may require. These Kifer meters shall be subject to SVP's approval and, upon SVP's approval, Kifer shall make them available for inspection at SVP's request. The meter(s) shall have the capability of being read remotely using SVP's remote meter-reading system. If the signal strength of such meter(s) is insufficient, Kifer shall pay for and install equipment to boost the signal as required by SVP.
- 7.3. If, for any reason, SVP's meter data is not available, upon SVP's written request, Kifer shall reasonably timely share its Facility meter data with SVP for the time period when SVP's meter data is not available. Such data shall be made available in .csv or .xls file format.
- 7.4. Additional metering requirements are covered in the applicable City rate schedules and SVP's Rules and Regulations.

## **8. INTERRUPTION**

- 8.1. SVP may interrupt Kifer 60KV breaker and/or other approved methods for any emergency, maintenance or reliability purposes.
- 8.2. SVP may interrupt Electric Service in accordance with SVP's Rules and Regulations.
- 8.3. SVP may require Kifer to interrupt or reduce or modify deliveries of charging or discharging energy at the Delivery Point when (a) necessary to construct, install, maintain, repair or inspect SVP equipment ; SVP determines that such interruption is necessary because of System Emergencies, forced outages, Force Majeure, compliance with Prudent Operating Practice; or (c) any directed or ordered by CAISO or other Governmental Authority (as defined in the ESA). SVP may, in its sole discretion,

disconnect the Facility if it appears at any time its operation may endanger SVP employees or may impair the integrity of SVP's electric Distribution System.

- 8.4. Except during the existence of a System Emergency, SVP shall give Kifer reasonable notice that service may be reduced or interrupted, if possible. If possible, SVP will coordinate with Kifer to schedule the interruption or reduction during periods of least impact to Kifer and SVP.
- 8.5. SVP service is not guaranteed Electric Service and may be unexpectedly interrupted during unplanned power outages or to address a System Emergency. Kifer equipment may be adversely affected when Electric Service is disrupted for any reason. In case of such damage, SVP shall not be liable to Kifer.
- 8.6. SVP shall not be obligated pursuant to this Interconnection Agreement to compensate Kifer for any loss of use of the Facility or adverse impacts to equipment during any and all periods of disconnection or interruption of service hereunder, as provided for in SVP's Rules and Regulations.

## **9. RIGHT OF ACCESS**

Consistent with the rights of access allowed to SVP by SVP's Rules and Regulations, SVP may enter the Premises without prior notice (a) to inspect at all reasonable hours Kifer's protective devices and read or test any meter for the Facility and (b) to disconnect the Facility at any time, without notice, if in SVP's opinion a hazardous condition exists; provided, that SVP will use commercially reasonable efforts to provide advance notice whenever reasonably practicable.

## **10. DEFAULT AND TERMINATION**

10.1. Upon any breach or default hereunder by either Party (collectively, a "Default"), the non-Defaulting Party shall give written notice of such Default to the Defaulting Party. The Defaulting Party shall have thirty (30) days from receipt of the notice to cure such Default; provided if such Default is not reasonably capable of cure within such thirty (30) days, the Defaulting Party shall commence such cure within thirty (30) days after notice and continuously and diligently complete such cure within ninety (90) days from receipt of the notice. If a Default is cured within such time, the Default specified in such notice shall cease to exist. No Default by a Party shall exist to the extent the failure to discharge an obligation (other than the payment of money) is the result of Force Majeure.

If a Default is not cured as provided in Section 10.1, the non-Defaulting Party may terminate this Interconnection Agreement by written notice to the other Party and/or pursue other remedies available under applicable Law.

10.2. In the event of termination of this Interconnection Agreement, Kifer shall permanently disconnect Facility from SVP's electric Distribution System.

## **11. WHEELING**

- 11.1 Upon any termination of the Energy Services Agreement prior to the expiration or termination of this Interconnection Agreement, and for the remaining term of this Interconnection Agreement, SVP shall provide Kifer, to the extent available, transmission service from the Facility to the CAISO Grid; provided that, (a) Kifer has entered into all necessary agreements such that the Facility can participate in the CAISO markets through a Scheduling Coordinator other than an SVP Scheduling Coordinator; and (b) Kifer has made metering arrangements with the CAISO such that SVP's MSS will not be impacted with settlements associated with the Facility's operation. In the event the foregoing conditions are met, Sections 11.2 through 11.4 shall be applicable to any SVP-provided wheeling service.
- 11.2 Kifer shall pay for as-available transmission service from the Facility to the CAISO Grid at \$1.00/kW-month based on maximum instantaneous demand measured each month between the hours of 3:00 PM through 12:00 AM or between such other hours SVP may later designate in writing based on changed conditions. Notwithstanding the foregoing, this rate shall be superseded and replaced with a City-adopted Electric Service rate schedule applicable to transmission service for battery energy storage facilities.
- 11.3 SVP may interrupt or curtail as-available transmission service to the extent necessary to address a planned outage, system limitation, or System Emergency affecting the Distribution System in accordance with (a) SVP's Rules or Regulations or applicable CAISO agreements, or (b) if no such rule or regulations or agreements exist, Prudent Operating Practice. SVP shall notify Kifer of any such interruptions, limitations or curtailments of transmission service and promptly restore such as available transmission service in accordance with SVP's Rules or Regulations or applicable CAISO agreements or, if no such rule or regulations or agreements exist therein, Prudent Operating Practice.
- 11.4 In the event Kifer desires firm wheeling service, Kifer shall submit an application, in a form and content as required by the City, for the purpose of analyzing this service's feasibility and costs, and pay the costs of the City performing such studies. If, based on the study, it is determined that firm wheeling service is feasible, Kifer shall be responsible for all costs of planning, installing, owning, operating, and maintaining any facility upgrades required to provide the firm wheeling service.

## **12. AMENDMENTS**

This Interconnection Agreement may be amended only with the written consent of both Parties.

## **13. INTEGRATED AGREEMENT**

This Interconnection Agreement represents the entire agreement between City and Kifer with respect to the subject matter hereof. No other understanding, agreements, conversations, or otherwise, with any representative of City shall affect or modify any of the terms or obligations of this Interconnection Agreement. Any verbal agreement shall be considered unofficial information and is not binding upon either Party.

**14. NO THIRD-PARTY BENEFICIARY**

This Interconnection Agreement shall not be construed to be an agreement for the benefit of any third-party or parties, and no third-party or parties shall have any claim or right of action under this Interconnection Agreement for any cause whatsoever.

**15. NOTICES**

All notices, including notices of modification as set forth in Exhibit A, to the Parties shall, unless otherwise requested in writing, be sent to City addressed as follows:

City of Santa Clara  
Attn: Chief Electric Utility Officer and  
Director of Community Development  
1500 Warburton Avenue Santa Clara, California 95050

And to Kifer as addressed in Exhibit B

**16. MISCELLANEOUS**

16.1 The following provisions of the Energy Services Agreement are hereby incorporated herein in their entirety by this reference, mutatis mutandis, and shall remain effective herein irrespective of any potential termination of the Energy Services Agreement:

Section 1.2 Rules of Interpretation

Article 10 Force Majeure

Article 14 Assignment

Section 15.2 Dispute Resolution

Article 16 Indemnification

Section 19.4 No Agency, Partnership, Joint Venture or Lease

Section 19.5 Severability

Section 19.10 No Recourse

Section 19.13 Further Assurances

16.2 This Interconnection Agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which shall constitute one and the same instrument; and the Parties agree that the signatures on this Interconnection Agreement, including those transmitted by facsimile, shall be sufficient to bind the Parties. The Parties acknowledge and accept the terms and conditions of this Interconnection Agreement as evidenced by the following signatures of their duly authorized representatives. The “Effective Date” is the date the final signatory executes the Interconnection Agreement. It is the intent of the Parties that this Interconnection Agreement shall become operative on the Effective Date.

**City of Santa Clara,  
a chartered California municipal corporation**

\_\_\_\_\_  
Jōvan D. Grogan  
City Manager

\_\_\_\_\_  
Date

Approved as to Form:

\_\_\_\_\_  
Glen R. Googins  
City Attorney

\_\_\_\_\_  
Date

Interconnection Agreement:  
**Kifer Energy Storage LLC**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

**EXHIBIT A**  
**TECHNICAL REQUIREMENTS**

**1. DESIGN STANDARDS**

- 1.1. The Facility, and all portions of it used to provide or distribute electrical and parallel interconnection with SVP's equipment, shall be designed, installed, constructed, operated and maintained in compliance with City Ordinances, City Codes, SVP's Rules and Regulations and SVP's Standard Document 1631 – "Engineering & Operating Requirements for the Interconnection of Generating Facilities" ("SD 1631"), as a guideline SVP-DP-001 "Distributed Generation Protection Requirements" and as identified with the Control Building Design, as amended from time to time.
- 1.2. At a minimum, the Facility shall meet all applicable safety and performance standards established by the National Electric Code (NEC), the Institute of Electrical and Electronics Engineers (IEEE) and accredited testing laboratories such as Underwriters Laboratories, as amended from time to time and, where applicable, rules of the Public Utilities Commission regarding safety and reliability.
- 1.3. Kifer's Facility shall at minimum, include, but not be limited to, the following:
  - 1.3.1. Kifer shall have dedicated protection devices (relays, circuit breakers, disconnects, etc.) or other interconnection devices at any location where the Kifer's generation operates in parallel with SVP and shall meet SVP protection/redundancy requirements and the circuit requirements of NEC-2017 Art. 705 Part II for Interactive Inverters;
  - 1.3.2. Kifer's EES shall be indicated by markings or labels [NEC-2017 Art. 706.15(C) and 706.21]; the Kifer's inverter or other interconnection device shall have the following minimum specifications for parallel operation with SVP:
    - 1.3.2.1. Inverter shall detect and isolate from the SVP source in accordance with IEEE 2800 ride-through requirements and other applicable standards;
    - 1.3.2.2. Inverter output shall automatically disconnect from SVP source upon loss of SVP source and not reconnect until SVP source has been restored by SVP NEC-2017 Art. 705.40; and
    - 1.3.2.3. Inverter output distortion shall meet IEEE 519 standards.

**2. INSTALLATION AND MAINTENANCE**

- 2.1. Kifer is responsible for installing and maintaining the Facility and interconnection facilities in a safe and prudent manner and in conformance with all applicable laws, regulations and codes at Kifer's sole cost and expense. Kifer shall install and operate the Facility in conformance with SVP's Rules and Regulations, SD 1631 and SVP-DP-001. Kifer shall be responsible for installation, operation and maintenance of the Facility in accordance with the ESA.
- 2.2. Kifer must provide notice to SVP of any material modifications to the Facility and Kifer's interconnection facilities from those set forth in the ESA ("Notice of Modification"). Such modifications are subject to approval by SVP (not to be unreasonably withheld, delayed or conditioned) and may result in changes to the ratings set forth in Exhibit B. Upon approval by SVP, any Notice of Modification and corresponding updates to information sheet shall be considered incorporated into this Agreement upon receipt by SVP.

**EXHIBIT B  
INFORMATION SHEET**

Kifer has installed, or will in the near term, install an electric storage facility ("Facility") which meets all applicable safety and performance standards as set forth in this Agreement.

1.1 Name: \_\_\_\_\_

1.2 CEC Facility ID No. (If Applicable): \_\_\_\_\_

1.3 Battery Storage Capacity: \_\_\_\_\_kW peak \_\_\_\_\_kWh capacity

1.4 Facility Location: \_\_\_\_\_

1.5 Facility Contact Number: \_\_\_\_\_

1.6 Exact Location of Accessible Disconnection:  
\_\_\_\_\_  
\_\_\_\_\_

1.7 Kifer Billing Address and Notice:

Name: \_\_\_\_\_

Street Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_

1.8 Billing Contact Number: \_\_\_\_\_

1.9 SVP Account Number: \_\_\_\_\_

1.10 Storage:

\_\_\_\_\_ Isolated Operation; OR

\_\_\_\_\_ Parallel Connected; OR

\_\_\_\_\_ N/A

1.11 Intended Use:

- Emergency Backup
- Peak Shaving
- Time of Use Shifting
- Other

**Silicon Valley Power Approval of Modification (Not Required for New Application)**