



# **Interconnection Agreements for Onsite Generation**



**Office of General Counsel  
Real Property Division**



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## The Problem:

- Most agreements require indemnity clauses - usually either by tariff or by the submission of standard contracts to PSCs
- Federal Government precluded from providing indemnity by:
  - Anti-deficiency Act – 31 U.S.C. 665(a)
  - Adequacy of Appropriations Act – 41 U.S.C. 11



- Exception: Utility Contracts
- GAO decision sets the foundation for exception for utility contracts
  - 59 Comp. Gen. 705
- But it's a narrow exception
  - B-197583, January 19, 1981



- Application to Interconnection Agreements
- Keys: Required source
- Required service
- Tariff or PSC action on contract
- Rejection of Gov't contract



Interconnect can be done under Exhibit “A” to GSA Areawide Contracts, if included by State PUC as tariffed service.

Total project can also be done as UESC under Areawide.

Standby tariffs and fees related to onsite interconnection of renewable generation are increasing our total costs.



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