EL PASO ELECTRIC COMPANY

OPEN ACCESS TRANSMISSION TARIFF

FERC ELECTRIC TARIFF

VOLUME NO. 1

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I. COMMON SERVICE PROVISIONS

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1 Definitions

1.1 Affiliate:

With respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

1.2 Ancillary Services:

Those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

1.3 Annual Transmission Costs:

The total annual cost of the Transmission System for purposes of Network Integration Transmission Service shall be the amount specified in Attachment H until amended by the Transmission Provider or modified by the Commission.

1.4 Application:

A request by an Eligible Customer for transmission service pursuant to the provisions of the Tariff.

1.5 Balancing Authority (BA):

The responsible entity that integrates resource plans ahead of time, maintains load Interchange-generation balance within a BAA, and supports interconnection frequency in real time.

1.6 Balancing Authority Area (BAA):

The collection of generation, transmission, and loads within the metered boundaries of

the BA. The BA maintains load-resource balance within this area. For purposes of this Tariff, “BAA” shall have the same meaning as “Control Area.”

1.7 Balancing Authority Area Resource:

A resource owned by EPE, or voluntarily contracted for by EPE to provide EIM Available Balancing Capacity, that can provide regulation and load following services to enable the EPE EIM Entity to meet reliability criteria. NO resource unaffiliated with the EPE EIM Entity shall be a Balancing Authority Area Resource solely on the basis of one or more of the following reasons: (1) the resource is a Designated Network Resource; (2) the resource flows on a Point-to Point Transmission Service reservation; and/or (3) the resource is an Interconnection Customer under the Tariff.

1.8 Bid Cost Recovery (BCR):

The MO EIM settlements process through which EPE EIM Participating Resources recover their bid costs.

1.9 California Independent System Operator Corporation (CAISO):

A state-chartered, California non-profit public benefit corporation that operates the transmission facilities of all CAISO participating transmission owners and dispatches certain generating units and loads. The CAISO is the MO for the EIM.

1.10 CAISO BAA or CAISO Controlled Grid:

The system of transmission lines and associated facilities of the CAISO participating transmission owners that have been placed under the CAISO’s operational control.

1.11 Commission:

The Federal Energy Regulatory Commission.

1.12 Completed Application:

An Application that satisfies all of the information and other requirements of the Tariff, including any required deposit.

1.13 Control Area:

This term is used interchangeably with "Balancing Authority Area."

An electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:

(1) match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);

(2) maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice;

(3) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and

(4) provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

1.14 Curtailment:

A reduction in firm or non-firm transmission service in response to a transfer capability shortage as a result of system reliability conditions.

1.15 Delivering Party:

The entity supplying capacity and energy to be transmitted at Point(s) of Receipt.

1.16 Designated Agent:

Any entity that performs actions or functions on behalf of the Transmission Provider, an Eligible Customer, or the Transmission Customer required under the Tariff.

1.17 Direct Assignment Facilities:

Facilities or portions of facilities that are constructed by the Transmission Provider for the sole use/benefit of a particular Transmission Customer requesting service under the Tariff. Direct Assignment Facilities shall be specified in the Service Agreement that governs service to the Transmission Customer and shall be subject to Commission approval.

1.18 Dispatch Instruction (Dispatch Operating Target):

An instruction by the MO for an action with respect to a specific EPE EIM Participating Resource or Balancing Authority Area Resource for increasing or decreasing its energy supply or demand.

1.19 Dispatch Operating Point:

The expected operating point, in MW, of an EPE EIM Participating Resource that has received a Dispatch Instruction from the MO or a Balancing Authority Area Resource to which the EPE EIM Entity has relayed a Dispatch Instruction received from the MO. For purposes of Attachment P of this Tariff, the Dispatch Operating Point means the MW output, of (i) an EPE EIM Participating Resource due to an EIM bid being accepted and the EPE EIM Participating Resource receiving a Dispatch Instruction; or (ii) a Balancing Authority Area Resource for which a Dispatch Instruction has been issued by the CAISO with respect to EIM Available Balancing Capacity.

1.20 Dynamic Transfer:

The provision of the real-time monitoring, telemetering, computer software, hardware, communications, engineering, energy accounting (including inadvertent Interchange), and administration required to electronically move all or a portion of the real energy

services associated with a generator or load out of one BAA into another. A Dynamic Transfer can be either:

1. a Dynamic Schedule: a telemetered reading or value that is updated in real time and used as a schedule in the AGC/ACE equation and the integrated value of which is treated as an after-the-fact schedule for Interchange accounting purposes; or
2. a Pseudo-Tie: a functionality by which the output of a generating unit physically interconnected to the electric grid in a native BAA is telemetered to and deemed to be produced in an attaining BAA that provides BA services for and exercises BA jurisdiction over the generating unit.

1.21 e-Tag:

An electronic tag associated with a schedule in accordance with the requirements of the North American Electric Reliability Corporation (NERC), the Western Electricity Coordinating Council (WECC), or the North American Energy Standards Board (NAESB).

1.22 Energy Imbalance Market (EIM):

The Energy Imbalance Market. The real-time market to manage transmission congestion and optimize procurement of imbalance energy (positive or negative) to balance supply and demand deviations for the EIM Area through economic bids submitted by EIM Participating Resource Scheduling Coordinators in the fifteen-minute and five-minute markets.

1.23 EIM Area:

The combination of EPE's BAA, the CAISO BAA, and the BAAs of any other EIM

Entities.

1.24 EIM Available Balancing Capacity:

Any upward or downward capacity from a Balancing Authority Area Resource that has not been bid into the EIM and is included in the EPE EIM Entity's Resource Plan.

1.25 EIM Entity:

A BA, other than the EPE EIM Entity, that enters into the MO's pro forma EIM Entity Agreement to enable the EIM to occur in its BAA.

1.26 EIM Transfer:

The transfer of real-time energy resulting from an EIM Dispatch Instruction: (1) between the EPE BAA and the CAISO BAA; (2) between the EPE BAA and an EIM Entity BAA; or (3) between the CAISO BAA and an EIM Entity BAA using transmission capacity available in the EIM.

1.27 Eligible Customer:

(i) Any electric utility (including the Transmission Provider and any power marketer), Federal power marketing agency, or any person generating electric energy for sale for resale is an Eligible Customer under the Tariff. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico.

However, with respect to transmission service that the Commission is prohibited from ordering by Section 212(h) of the Federal Power Act, such entity is eligible only if the service is provided pursuant to a state requirement that the Transmission Provider offer the unbundled transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider.

(ii) Any retail customer taking unbundled transmission service pursuant to a state requirement that the Transmission Provider offer the transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider, is an Eligible Customer under the Tariff.

1.28 EPE:

El Paso Electric Company.

1.29 EPE BAA:

Refers to the BAA operated by EPE Transmission Provider.

1.30 EPE BAA Transmission Owner:

A transmission owner, other than the EPE EIM Entity, who owns transmission facilities in EPE's BAA.

1.31 EPE EIM Business Practice (EPE EIM BP):

The business practice posted on EPE's OASIS that contains procedures related to EPE's implementation of EIM and the rights and obligations of Transmission Customers and Interconnection Customers related to EIM.

1.32 EPE EIM Entity:

The Transmission Provider in performance of its role as an EIM Entity under the MO Tariff and this Tariff, including, but not limited to, Attachment P.

1.33 EPE EIM Entity Scheduling Coordinator:

The Transmission Provider or the entity selected by the Transmission Provider who is certified by the MO and who enters into the MO's pro forma EIM Entity Scheduling Coordinator Agreement.

1.34 EPE EIM Participating Resource:

A resource or a portion of a resource: (1) that has been certified in accordance with Attachment P by the EPE EIM Entity as eligible to participate in the EIM; and (2) for which the generation owner and/or operator enters into the MO's pro forma EIM Participating Resource Agreement.

1.35 EPE EIM Participating Resource Coordinator:

A Transmission Customer with one or more EPE EIM Participating Resource(s) or a third-party designated by the Transmission Customer with one or more EPE EIM Participating Resource(s), that is certified by the MO and enters into the MO's pro forma EIM Participating Resource Scheduling Coordinator Agreement.

1.36 EPE EIM Participating Resource Scheduling Coordinator:

A Transmission Customer with one or more EPE EIM Participating Resource(s) or a third-party designated by the Transmission Customer with one or more EPE EIM Participating Resource(s), that is certified by the MO and enters into the MO's pro forma EIM Participating Resource Scheduling Coordinator Agreement.

1.37 Facilities Study:

An engineering study conducted by the Transmission Provider to determine the required modifications to the Transmission Provider's Transmission System, including the cost and scheduled completion date for such modifications, that will be required to provide the requested transmission service.

1.38 Firm Point-To-Point Transmission Service:

Transmission Service under this Tariff that is reserved and/or scheduled between

specified Points of Receipt and Delivery pursuant to Part II of this Tariff.

1.39 Flexible Ramping Forecast Movement:

A resource's change in forecasted output between market intervals for purposes of the Flexible Ramping Product.

1.40 Flexible Ramping Product:

The costs associated with meeting a requirement, established by the MO, that may be enforced in the MO's EIM optimization to ensure that the unit commitment or dispatch of resources for intervals beyond the applicable commitment or dispatch period provide for the availability of required capacity for dispatch in subsequent real-time dispatch intervals.

1.41 Flexible Ramping Uncertainty Award:

A resource's award for meeting a Flexible Ramping Uncertainty Requirement under the Flexible Ramping Product.

1.42 Flexible Ramping Uncertainty Requirement:

Flexible ramping capability to meet the Flexible Ramping Product requirements established by the MO.

1.43 Forecast Data:

Information provided by Transmission Customers regarding expected load (as determined pursuant to Section 4.2.4.3 of Attachment P of this Tariff), generation, Intrachange, and Interchange, as specified in Section 4.2.4 of Attachment P and the EPE EIM BP. The Transmission Customer Base Schedule includes Forecast Data that is used

by the EPE EIM Entity as the baseline by which to measure Imbalance Energy for purposes of EIM settlement.

1.44 Good Utility Practice:

Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act section 215(a)(4).

1.45 Imbalance Energy:

The deviation of supply or demand from the Transmission Customer Base Schedule, positive or negative, as measured by metered generation, metered load, or real-time Interchange or Intrachange schedules.

1.46 Instructed Imbalance Energy (IIE):

There are three scenarios that can lead to settlement of imbalance as IIE: (1) operational adjustments of the Transmission Customer's affected Interchange or Intrachange, which includes changes by the Transmission Customer after T-57, (2) resource imbalances created by Manual Dispatch or an EIM Available Balancing Capacity dispatch, or (3) an adjustment to resource imbalances created by adjustments to resource forecasts pursuant to Section 11.5 of the MO Tariff.

1.47 Interchange:

E-Tagged energy transfers from, to, or through the EPE BAA or other BAAs, not including EIM Transfers.

1.48 Interruption:

A reduction in non-firm transmission service due to economic reasons pursuant to Section 14.7.

1.49 Intrachange:

E-Tagged energy transfers within the EPE BAA, not including real-time actual energy flows associated with EIM Dispatch Instructions.

1.50 Load Aggregation Point:

A set of Pricing Nodes that is used for the submission of bids and settlement of demand in the EIM.

1.51 Load Ratio Share:

Ratio of a Transmission Customer's Network Load to the Transmission Provider's total load computed in accordance with Sections 34.2 and 34.3 of the Network Integration Transmission Service under Part III of the Tariff and calculated on a rolling twelve month basis.

1.52 Load Shedding:

The systematic reduction of system demand by temporarily decreasing load in response to transmission system or area capacity shortages, system instability, or voltage control considerations under Part III of the Tariff.

1.53 Locational Marginal Price (LMP):

The marginal cost ($/MWh) of serving the next increment of demand at that PNode consistent with existing transmission constraints and the performance characteristics of resources.

1.54 Long-Term Firm Point-To-Point Transmission Service:

Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of one year or more.

1.55 Manual Dispatch:

An operating order issued by the EPE EIM Entity to a Transmission Customer with a EPE EIM Participating Resource or a Non- Participating Resource in EPE's BAA, outside of the EIM optimization, when necessary to address reliability or operational issues in EPE's BAA that the EIM is not able to address through economic dispatch and congestion management.

1.56 Market Operator (MO):

The entity responsible for operation,administration, settlement, and oversight of the EIM.

1.57 Measured Demand:

Includes (1) Metered Demand, plus (2) e-Tagged export volumes from the EPE BAA (excluding EIM Transfers).

1.58 Metered Demand:

Metered load volumes in EPE's BAA.

1.59 MO Tariff:

Those portions of the MO's approved tariff, as such tariff may be modified from time to

time, that specifically apply to the operation, administration, settlement, and oversight of the EIM.

1.60 Native Load Customers:

The wholesale and retail power customers of the Transmission Provider on whose behalf the Transmission Provider, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate the Transmission Provider's system to meet the reliable electric needs of such customers.

1.61 Network Customer:

An entity receiving transmission service pursuant to the terms of the Transmission Provider's Network Integration Transmission Service under Part III of the Tariff.

1.62 Network Integration Transmission Service:

The transmission service provided under Part III of the Tariff.

1.63 Network Load:

The load that a Network Customer designates for Network Integration Transmission Service under Part III of the Tariff. The Network Customer's Network Load shall include all load served by the output of any Network Resources designated by the Network Customer. A Network Customer may elect to designate less than its total load as Network Load but may not designate only part of the load at a discrete Point of Delivery. Where a Eligible Customer has elected not to designate a particular load at discrete points of delivery as Network Load, the Eligible Customer is responsible for making separate arrangements under Part II of the Tariff for any Point-To-Point Transmission Service that may be necessary for such non-designated load.

1.64 Network Operating Agreement:

An executed agreement that contains the terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Network Integration Transmission Service under Part III of the Tariff.

1.65 Network Operating Committee:

A group made up of representatives from the Network Customer(s) and the Transmission Provider established to coordinate operating criteria and other technical considerations required for implementation of Network Integration Transmission Service under Part III of this Tariff.

1.66 Network Resource:

Any designated generating resource owned, purchased or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program or output associated with an EIM Dispatch Instruction.

1.67 Network Upgrades:

Modifications or additions to transmission-related facilities that are integrated with and support the Transmission Provider's overall Transmission System for the general benefit of all users of such Transmission System.

1.68 Non-Firm Point-To-Point Transmission Service:

Point-To-Point Transmission Service under the Tariff that is reserved and scheduled on an as-available basis and is subject to Curtailment or Interruption as set forth in Section 14.7 under Part II of this Tariff. Non-Firm Point-To-Point Transmission Service is

available on a stand-alone basis for periods ranging from one hour to one month.

1.69 Non-Firm Sale:

An energy sale for which receipt or delivery may be interrupted for any reason or no reason, without liability on the part of either the buyer or seller.

1.70 Non-Participating Resource:

A resource in EPE's BAA that is not an EPE EIM Participating Resource.

1.71 Open Access Same-Time Information System (OASIS):

The information system and standards of conduct contained in Parts 37 and 358 of the Commission's regulations and all additional requirements implemented by subsequent Commission orders dealing with OASIS.

1.72 Operating Hour:

The hour when the EIM runs and energy is supplied to load.

1.73 Palo Verde Facilities:

The Palo Verde Facilities consist of three 500 kv lines, and related facilities, that extend 165 miles in total from the Palo Verde Nuclear Generating Station near Phoenix, Arizona, with two of the lines extending to the Westwing substation and one extending to the Kyrene substation, all facilities entirely in Arizona.

1.74 Part I:

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1.75 Part II:

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1.76 Part III:

Tariff Sections 28 through 35 pertaining to Network Integration Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.77 Parties:

The Transmission Provider and the Transmission Customer receiving service under the Tariff.

1.78 Point(s) of Delivery:

Point(s) on the Transmission Provider's Transmission System where capacity and energy transmitted by the Transmission Provider will be made available to the Receiving Party under Part II of the Tariff. The Point(s) of Delivery shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

1.79 Point(s) of Receipt:

Point(s) of interconnection on the Transmission Provider's Transmission System where capacity and energy will be made available to the Transmission Provider by the Delivering Party under Part II of the Tariff. The Point(s) of Receipt shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

1.80 Point-To-Point Transmission Service:

The reservation and transmission of capacity and energy on either a firm or non-firm basis from the Point(s) of Receipt to the Point(s) of Delivery under Part II of the Tariff.

1.81 Power Purchaser:

The entity that is purchasing the capacity and energy to be transmitted under the Tariff.

1.82 Pre-Confirmed Application:

An Application that commits the Eligible Customer to execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.

1.83 Pricing Node (PNode):

A single network or subset of network nodes where a physical injection or withdrawal is modeled by the MO and for which the MO calculates an LMP that is used for financial settlements by the MO and the EPE EIM Entity.

1.84 Real Power Losses:

Electrical losses associated with the use of the Transmission Provider's Transmission System. Such losses are provided for in Sections 15.7 and 28.5 of the Tariff and settled financially under Schedule 10.

1.85 Resource Plan:

The combination of load, resource and Interchange components of the Transmission Customer Base Schedule, ancillary services plans of the EPE EIM Entity, bid ranges submitted by EPE EIM Participating Resources, and the EIM Available Balancing Capacity of Balancing Authority Area Resources.

1.86 Receiving Party:

The entity receiving the capacity and energy transmitted by the Transmission Provider to Point(s) of Delivery.

1.87 Regional Transmission Group (RTG):

A voluntary organization of transmission owners, transmission users and other entities approved by the Commission to efficiently coordinate transmission planning (and expansion), operation and use on a regional (and interregional) basis.

1.88 Reserved Capacity:

The maximum amount of capacity and energy that the Transmission Provider agrees to transmit for the Transmission Customer over the Transmission Provider's Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under Part II of the Tariff. Reserved Capacity shall be expressed in terms of whole megawatts on a sixty (60) minute interval (commencing on the clock hour) basis.

1.89 Service Agreement:

The initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and the Transmission Provider for service under the Tariff.

1.90 Service Commencement Date:

The date the Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the date the Transmission Provider begins to provide service in accordance with Section 15.3 or Section 29.1 under the Tariff.

1.91 Short-Term Firm Point-To-Point Transmission Service:

Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of less than one year.

1.92 System Condition

A specified condition on the Transmission Provider’s system or on a neighboring system, such as a constrained transmission element or flowgate, that may trigger Curtailment of Long-Term Firm Point-to-Point Transmission Service using the curtailment priority pursuant to Section 13.6. Such conditions must be identified in the Transmission Customer’s Service Agreement.

1.93 System Impact Study:

An assessment by the Transmission Provider of (i) the adequacy of the Transmission System to accommodate a request for either Firm Point-To-Point Transmission Service or Network Integration Transmission Service and (ii) whether any additional costs may be incurred in order to provide transmission service.

1.94 Third-Party Sale:

Any sale for resale in interstate commerce to a Power Purchaser that is not designated as part of Network Load under the Network Integration Transmission Service.

1.95 Transmission Customer:

Any Eligible Customer (or its Designated Agent) that (i) executes a Service Agreement, or (ii) requests in writing that the Transmission Provider file with the Commission, a proposed unexecuted Service Agreement to receive transmission service under Part II of the Tariff. This term is used in the Part I Common Service Provisions to include customers receiving transmission service under Part II and Part III of this Tariff.

1.96 Transmission Customer Base Schedule:

An energy schedule that provides Transmission Customer hourly-level Forecast Data and other information that is used by the EPE EIM Entity as the baseline by which to measure Imbalance Energy for purposes of EIM settlement. The term "Transmission Customer Base Schedule" as used in this Tariff may refer collectively to the components of such schedule (resource, Interchange, Intrachange, and load determined pursuant to Section 4.2.4.3 of Attachment P) or any individual components of such schedule.

1.97 Transmission Provider:

The public utility (or its Designated Agent) that owns, controls, or operates facilities used for the transmission of electric energy in interstate commerce and provides

transmission service under the Tariff.

1.98 Transmission Provider's Monthly Transmission System Peak:

The maximum firm usage of the Transmission Provider's Transmission System in a calendar month.

1.99 Transmission Service:

Point-To-Point Transmission Service provided under Part II of the Tariff on a firm and non-firm basis.

1.100 Transmission System:

The facilities owned, controlled or operated by the Transmission Provider that are used to provide transmission service under Part II and Part III of the Tariff.

1.101 Uninstructed Imbalance Energy (UIE):

For Non-Participating Resources in an EIM Entity BAA, the MO shall calculate UIE as either (1) the algebraic difference between the resource's 5-minute meter data and the resource component of the Transmission Customer Base Schedule, or, if applicable, (2) the 5-minute meter data and any Manual Dispatch or EIM Available Balancing Capacity dispatch. For Transmission Customers with load in the EPE EIM Entity's BAA, the EPE EIM Entity shall calculate UIE as the algebraic difference between the Transmission Customer's actual hourly load and the Transmission Customer Base Schedule.

1.102 Variable Energy Resource:

A device for the production of electricity that is characterized by an energy source that: (1) is renewable; (2) cannot be stored by the facility owner or operator; and (3) has variability that is beyond the control of the facility owner or operator.

I. COMMON SERVICE PROVISIONS

2 Initial Allocation and Renewal Procedures

2.1 Initial Allocation of Available Transfer Capability:

For purposes of determining whether existing capability on the Transmission Provider's Transmission System is adequate to accommodate a request for firm service under this Tariff, all Completed Applications for new firm transmission service received during the initial sixty (60) day period commencing with the effective date of the Tariff will be deemed to have been filed simultaneously. A lottery system conducted by an independent party shall be used to assign priorities for Completed Applications filed simultaneously. All Completed Applications for firm transmission service received after the initial sixty (60) day period shall be assigned a priority pursuant to Section 13.2.

2.2 Reservation Priority For Existing Firm Service Customers:

Existing firm service customers (wholesale requirements and transmission-only, with a contract term of five-years or more), have the right to continue to take transmission service from the Transmission Provider when the contract expires, rolls over or is renewed. This transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from the Transmission Provider or elects to purchase capacity and energy from

another supplier. If at the end of the contract term, the Transmission Provider's Transmission System cannot accommodate all of the requests for transmission service, the existing firm service customer must agree to accept a contract term at least equal to a competing request by any new Eligible Customer and to pay the current just and reasonable rate, as approved by the Commission, for such service; provided that, the firm service customer shall have a right of first refusal at the end of such service only if the new contract is for five years or more. The existing firm service customer must provide notice to the Transmission Provider whether it will exercise its right of first refusal no less than one year prior to the expiration date of its transmission service agreement. This transmission reservation priority for existing firm service customers is an ongoing right that may be exercised at the end of all firm contract terms of five-years or longer. Service agreements subject to a right of first refusal entered into prior to August 12, 2008 or associated with a transmission service request received prior to July 13, 2007, unless terminated, will become subject to the five year/one year requirement on the first rollover date after August 12, 2008; provided that, the one-year notice requirement shall apply to such service agreement with five years or more left in their terms as of August 12, 2008.

I. COMMON SERVICE PROVISIONS

3 Ancillary Services

Ancillary Services are needed with transmission service to maintain reliability within and among the Control Areas affected by the transmission service. The Transmission Provider is required to provide (or offer to arrange with the local Control Area operator as discussed below), and the Transmission Customer is required to purchase, the following Ancillary Services (i) Scheduling, System Control and Dispatch, and (ii) Reactive Supply and Voltage Control from Generation or Other Sources.

The Transmission Provider is required to offer to provide (or offer to arrange with the local Control Area operator as discussed below) the following Ancillary Services only to the Transmission Customer serving load within the Transmission Provider's Control Area (i) Regulation and Frequency Response, (ii) Energy Imbalance, (iii) Operating Reserve - Spinning, and (iv) Operating Reserve – Supplemental. The Transmission Customer serving load within the Transmission Provider's Control Area is required to acquire these Ancillary Services, whether from the Transmission Provider, from a third party, or by self-supply.

The Transmission Provider is required to provide (or offer to arrange with the local Control Area Operator as discussed below), to the extent it is physically feasible to do so from its resources or from resources available to it, Generator Imbalance Service when Transmission Service is used to deliver energy from a generator located within its Control Area. The Transmission Customer using

Transmission Service to deliver energy from a generator located within the Transmission Provider's Control Area is required to acquire Generator Imbalance Service, whether from the Transmission Provider, from a third party, or by self-supply.

The Transmission Customer may not decline the Transmission Provider's offer of Ancillary Services unless it demonstrates that it has acquired the Ancillary Services from another source. The Transmission Customer must list in its Application which Ancillary Services it will purchase from the Transmission Provider. A Transmission Customer that exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or an Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved is required to pay for all of the Ancillary Services identified in this section that were provided by the Transmission Provider associated with the unreserved service. The Transmission Customer or Eligible Customer will pay for Ancillary Services based on the amount of transmission service it used but did not reserve.

If the Transmission Provider is a public utility providing transmission service but is not a Control Area operator, it may be unable to provide some or all of the Ancillary Services. In this case, the Transmission Provider can fulfill its obligation to provide Ancillary Services by acting as the Transmission Customer's agent to secure these Ancillary Services from the Control Area operator. The Transmission Customer may elect to (i) have the Transmission Provider act as its

agent, (ii) secure the Ancillary Services directly from the Control Area operator, or (iii) secure the Ancillary Services (discussed in Schedules 3, 4, 5, 6, and 9) from a third party or by self-supply when technically feasible.

The Transmission Provider shall specify the rate treatment and all related terms and conditions in the event of an unauthorized use of Ancillary Services by the Transmission Customer.

The specific Ancillary Services, prices and/or compensation methods are described on the Schedules that are attached to and made a part of the Tariff. Three principal requirements apply to discounts for Ancillary Services provided by the Transmission Provider in conjunction with its provision of transmission service as follows: (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. A discount agreed upon for an Ancillary Service must be offered for the same period to all Eligible Customers on the Transmission Provider's system. Sections 3.1 through 3.7 below list the seven Ancillary Services.

3.1 Scheduling, System Control and Dispatch Service:

The rates and/or methodology are described in Schedule 1.

3.2 Reactive Supply and Voltage Control from Generation or Other Sources Service:

The rates and/or methodology are described in Schedule 2.

3.3 Regulation and Frequency Response Service:

Where applicable the rates and/or methodology are described in Schedule 3.

3.4 Energy Imbalance Service:

Where applicable the rates and/or methodology are described in Schedule 4.

3.5 Operating Reserve - Spinning Reserve Service:

Where applicable the rates and/or methodology are described in Schedule 5.

3.6 Operating Reserve - Supplemental Reserve Service:

Where applicable the rates and/or methodology are described in Schedule 6.

3.7 Generator Imbalance Service:

Where applicable the rates and/or methodology are described in Schedule 9.

I. COMMON SERVICE PROVISIONS

4 Open Access Same-Time Information System (OASIS)

Terms and conditions regarding Open Access Same-Time Information System and standards of conduct are set forth in 18 CFR § 37 of the Commission's regulations (Open Access Same-Time Information System and Standards of Conduct for Public Utilities) and 18 C.F.R. § 38 of the Commission's regulations (Business Practice Standards and Communication Protocols for Public Utilities). In the event available transfer capability as posted on the OASIS is insufficient to accommodate a request for firm transmission service, additional studies may be required as provided by this Tariff pursuant to Sections 19 and 32.

The Transmission Provider shall post on OASIS and on its public website an electronic link to all rules, standards and practices that (i) relate to the terms and conditions of transmission service, (ii) are not subject to a North American Energy Standards Board (NAESB) copyright restriction, and (iii) are not otherwise included in this Tariff. The Transmission Provider shall post on OASIS and on its public website an electronic link to the NAESB website where any rules, standards and practices that are protected by copyright may be obtained. The Transmission Provider shall also post on OASIS and its public website an electronic link to a statement of the process by which the Transmission Provider shall add, delete or otherwise modify the rules, standards and practices that are not included in this tariff. Such process shall set forth the means by which the Transmission Provider shall provide reasonable advance notice to Transmission Customers and Eligible

Customers of any such additions, deletions or modifications, the associated effective date, and any additional implementation procedures that the Transmission Provider deems appropriate.

I. COMMON SERVICE PROVISIONS

5 Local Furnishing Bonds

5.1 Transmission Providers That Own Facilities Financed by Local Furnishing Bonds:

This provision is applicable only to Transmission Providers that have financed facilities for the local furnishing of electric energy with tax-exempt bonds, as described in Section 142(f) of the Internal Revenue Code ("local furnishing bonds"). Notwithstanding any other provision of this Tariff, the Transmission Provider shall not be required to provide transmission service to any Eligible Customer pursuant to this Tariff if the provision of such transmission service would jeopardize the tax- exempt status of any local furnishing bond(s) used to finance the Transmission Provider's facilities that would be used in providing such transmission service.

5.2 Alternative Procedures for Requesting Transmission Service:

(i) If the Transmission Provider determines that the provision of transmission service requested by an Eligible Customer would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance its facilities that would be used in providing such transmission service, it shall advise the Eligible Customer within thirty (30) days of receipt of the Completed Application.

(ii) If the Eligible Customer thereafter renews its request for the same transmission service referred to in (i) by tendering an application under Section 211 of the Federal Power Act, the Transmission Provider, within ten (10) days of receiving a copy of the Section 211 application, will waive its rights to a request for service under Section 213(a) of the Federal Power Act and to the issuance of a proposed order under Section 212(c) of the Federal Power Act. The Commission, upon receipt of the Transmission Provider's waiver of its rights to a request for service under Section 213(a) of the Federal Power Act and to the issuance of a proposed order under Section 212(c) of the Federal Power Act, shall issue an order under Section 211 of the Federal Power Act. Upon issuance of the order under Section 211 of the Federal Power Act, the Transmission Provider shall be required to provide the requested transmission service in accordance with the terms and conditions of this Tariff.

I. COMMON SERVICE PROVISIONS

6 Reciprocity

A Transmission Customer receiving transmission service under this Tariff agrees to provide comparable transmission service that it is capable of providing to the Transmission Provider on similar terms and conditions over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer's corporate Affiliates. A Transmission Customer that is a member of, or takes transmission service from, a power pool, Regional Transmission Group, Regional Transmission Organization (RTO), Independent System Operator (ISO) or other transmission organization approved by the Commission for the operation of transmission facilities also agrees to provide comparable transmission service to the transmission-owning members of such power pool and Regional Transmission Group, RTO, ISO or other transmission organization on similar terms and conditions over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer's corporate Affiliates.

This reciprocity requirement applies not only to the Transmission Customer that obtains transmission service under the Tariff, but also to all parties to a transaction that involves the use of transmission service under the Tariff, including

the power seller, buyer and any intermediary, such as a power marketer. This reciprocity requirement also applies to any Eligible Customer that owns, controls or operates transmission facilities that uses an intermediary, such as a power marketer, to request transmission service under the Tariff. If the Transmission Customer does not own, control or operate transmission facilities, it must include in its Application a sworn statement of one of its duly authorized officers or other representatives that the purpose of its Application is not to assist an Eligible Customer to avoid the requirements of this provision.

I. COMMON SERVICE PROVISIONS

7 Billing and Payment

7.1 Billing Procedures:

Within a reasonable time afterservice is provided, the Transmission Provider shall submit an invoice to the Transmission Customer for the charges for all services furnished under the Tariff. The invoice shall be paid by the Transmission Customer within twenty (20) days of receipt. All payments shall be made in immediately available funds payable to the Transmission Provider, or by wire transfer to a bank named by the Transmission Provider.

7.2 Interest on Unpaid Balances:

Interest on any unpaid amounts (including amounts placed in escrow) shall be calculated in accordance with the methodology specified for interest on refunds in the Commission's regulations at 18 C.F.R. § 35.19a(a)(2)(iii). Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment. When payments are made by mail, bills shall be considered as having been paid on the date of receipt by the Transmission Provider.

7.3 Customer Default:

In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to the Transmission Provider on or before the due date as described above, and such failure of

payment is not corrected within thirty (30) calendar days after the Transmission Provider notifies the Transmission Customer to cure such failure, a default by the Transmission Customer shall be deemed to exist. Upon the occurrence of a default, the Transmission Provider may initiate a proceeding with the Commission to terminate service but shall not terminate service until the Commission so approves any such request. In the event of a billing dispute between the Transmission Provider and the Transmission Customer, the Transmission Provider will continue to provide service under the Service Agreement as long as the Transmission Customer (i) continues to make all payments not in dispute, and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Transmission Customer fails to meet these two requirements for continuation of service, then the Transmission Provider may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days, in accordance with Commission policy.

7.4 Penalty Revenue Assessment and Distribution:

The Transmission Provider will credit each Transmission Customer taking service under Part II or Part III of this Tariff for its share of penalty revenues as follows:

7.4.1 Imbalance Penalties:

Charges assessed by the Transmission Provider pursuant to

Schedules 4 and 9 that are in excess of its incremental costs are referred to as “Imbalance Penalties”, and therefore subject to distribution to all “non-offending” (or non-penalized) Transmission Customers. On each monthly invoice, each non-offending Transmission Customer shall receive a credit for its share of the Imbalance Penalties that were assessed in connection with service rendered by the Transmission Provider during the month to which the invoice applies. The Transmission Customer’s share of the Imbalance Penalties (if any) will be determined as follows:

7.4.1.1 For each hour, the Transmission Provider will determine: (1) the sum of all Imbalance Penalties assessed during such hour, measured in dollars (IPR_h), and (2) the sum of all transmission revenue from non-offending Transmission Customers during that hour, measured in dollars (TR_h)

Where:

IPR_h = Imbalance Penalty Revenue

TR_h = Transmission Revenue from non-offending Customers

7.4.1.2 For each hour, each Transmission Customer that was not assessed an Imbalance Penalty during that hour will receive a credit equal to the product of (i)

IPR_h multiplied by (ii) a fraction, derived from dividing the amount of transmission revenue from that Transmission Customer (TC_1) during that hour (measured in dollars), where TC_1 is equal to one non-offending Transmission Customer, and a denominator equal to TR_h.

7.4.1.3 The Transmission Customer's total monthly credit for Imbalance Penalties will equal the sum of the credits received by that Transmission Customer during the hours in which it did not incur an Imbalance Penalty, as determined pursuant to Section 7.4.1.2.

7.4.1.4 The Transmission Provider is entitled to credits pursuant to this Section for Imbalance Penalties related to service it takes, including service for its native load.

7.4.2 Late Study Fees:

In any calendar year in which the Transmission Provider incurs a late study fee under Section 19.9 and/or 32.5 of this Tariff ("Late Study Fees"), the Transmission Provider shall credit the Transmission Customers that took service under Part II or Part III during the year and are not affiliated with the Transmission Provider

in an amount proportional to each such Transmission Customer's usage, such that the total credits invoiced equal the total Late Study Fees due. Credits will be applied to invoices issues in February for the prior calendar year.

I. COMMON SERVICE PROVISIONS

8 Accounting for the Transmission Provider's Use of the Tariff

The Transmission Provider shall record the following amounts, as outlined below.

8.1 Transmission Revenues:

Include in a separate operating revenue account or subaccount the revenues it receives from Transmission Service when making Third-Party Sales under Part II of the Tariff.

8.2 Study Costs and Revenues:

Include in a separate transmission operating expense account or subaccount, costs properly chargeable to expense that are incurred to perform any System Impact Studies or Facilities Studies which the Transmission Provider conducts to determine if it must construct new transmission facilities or upgrades necessary for its own uses, including making Third-Party Sales under the Tariff; and include in a separate operating revenue account or subaccount the revenues received for System Impact Studies or Facilities Studies performed when such amounts are separately stated and identified in the Transmission Customer's billing under the Tariff.

I. COMMON SERVICE PROVISIONS

9 Regulatory Filings

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the right of the Transmission Provider to unilaterally make application to the Commission for a change in rates, terms and conditions, charges, classification of service, Service Agreement, rule or regulation under Section 205 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the ability of any Party receiving service under the Tariff to exercise its rights under the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

I. COMMON SERVICE PROVISIONS

10 Force Majeure and Indemnification

10.1 Force Majeure:

An event of Force Majeure means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any Curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing. Neither the Transmission Provider nor the Transmission Customer will be considered in default as to any obligation under this Tariff if prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Tariff is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Tariff.

10.2 Indemnification:

The Transmission Customer shall at all times indemnify, defend, and save the Transmission Provider harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Transmission Provider's performance of its obligations under this Tariff on behalf of the Transmission Customer, except in cases of

negligence or intentional wrongdoing by the Transmission Provider. Provided, however, that the standard of liability for the actions of the EPE EIM Entity performed consistent with Attachment P of this Tariff shall be gross negligence or intentional wrongdoing.

I. COMMON SERVICE PROVISIONS

11 Creditworthiness

The Transmission Provider will specify its Creditworthiness procedures in Attachment L.

I. COMMON SERVICE PROVISIONS

12 Dispute Resolution Procedures

12.1 Internal Dispute Resolution Procedures:

Any dispute between a Transmission Customer and the Transmission Provider involving transmission service under the Tariff (excluding applications for rate changes or other changes to the Tariff, or to any Service Agreement entered into under the Tariff, which shall be presented directly to the Commission for resolution) shall be referred to a designated senior representative of the Transmission Provider and a senior representative of the Transmission Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days or such other period as the Parties may agree upon by mutual agreement, such dispute may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.

12.2 External Arbitration Procedures:

Any arbitration initiated under the Tariff shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) days of the referral of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including

electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and any applicable Commission regulations or Regional Transmission Group rules.

12.3 Arbitration Decisions:

Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Tariff and any Service Agreement entered into under the Tariff and shall have no power to modify or change any of the above in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act and/or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with the Commission if it affects jurisdictional rates, terms and conditions of service or facilities.

12.4 Costs:

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable:

(A) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or

(B) one half the cost of the single arbitrator jointly chosen by the Parties.

12.5 EIM Disputes

12.5.1 Disputes between the EPE EIM Entity and a Transmission Customer or Interconnection Customer Related to Allocation of Charges or Payments from the MO: To the extent a dispute arises between the EPE EIM Entity and a Transmission Customer or Interconnection Customer regarding the EPE EIM Entity's implementation of this Tariff's provisions regarding the manner in which the EPE EIM Entity allocates charges or payments from the MO, the parties shall follow the dispute resolution procedures in Sections 12.1 to 12.3 of this Tariff.

12.5.2 Disputes between the MO and EPE EIM Participating Resource Scheduling Coordinators Related to EIM Charges and Payments Directly With the MO: Disputes involving settlement statements between the MO and EPE EIM Participating Resource Scheduling Coordinators shall be resolved directly with the MO in accordance with the dispute resolution process outlined in the MO Tariff.

A Transmission Customer with a EPE EIM Participating Resource shall provide notice to the EPE EIM Entity if it raises a dispute with the MO, and such notice shall be provided in accordance with the process set forth in the EPE EIM BP.

12.5.3 Disputes between the MO and the EPE EIM Entity: The EPE EIM Entity may raise disputes with the MO regarding the settlement statements it receives from the MO in accordance with the process specified in the MO Tariff. If the EPE EIM Entity submits a dispute it shall provide notice to any affected Transmission Customer in accordance with the EPE EIM BP.

12.5.4 Disputes Regarding MO Charges or Payments to the EPE EIM Entity Raised by Transmission Customers or Interconnection Customers: To the extent a dispute arises regarding a MO charge or a MO payment to the EPE EIM Entity that is subsequently charged or paid by the EPE EIM Entity to a Transmission Customer or an Interconnection Customer, and such Transmission Customer or Interconnection Customer wishes to raise a dispute with the MO, the EPE EIM Entity shall file a dispute on behalf of such Transmission Customer or Interconnection Customer in accordance with the MO Tariff and work with the Transmission Customer or the Interconnection Customer to resolve the dispute pursuant to the process specified in the MO Tariff.

12.6 Rights Under The Federal Power Act:

Nothing in this section shall restrict the rights of any party to file a Complaint with the Commission under relevant provisions of the Federal Power Act.

II. POINT-TO-POINT TRANSMISSION SERVICE

Preamble

The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service pursuant to the applicable terms and conditions of this Tariff. Point-To-Point Transmission Service is for the receipt of capacity and energy at designated Point(s) of Receipt and the transfer of such capacity and energy to designated Point(s) of Delivery.

II. POINT-TO-POINT TRANSMISSION SERVICE

13 Nature of Firm Point-To-Point Transmission Service

13.1 Term:

The minimum term of Firm Point-To-Point Transmission Service shall be one hour and the maximum term shall be specified in the Service Agreement.

13.2 Reservation Priority:

(i) Long-Term Firm Point-To-Point Transmission Service shall be available on a first-come, first-served basis, i.e., in the chronological sequence in which each Transmission Customer has requested service.

(ii) Reservations for Short-Term Firm Point To-Point Transmission Service will be conditional based upon the length of the requested transaction or reservation. However, Pre-Confirmed Applications for Short-Term Point-to-Point Transmission Service will receive priority over earlier-submitted requests that are not Pre-Confirmed and that have equal or shorter duration. Among requests or reservations with the same duration and, as relevant, pre-confirmation status (pre-confirmation, confirmed or not confirmed), priority will be given to an Eligible Customer's request or reservation that offers the highest price, followed by the date and time of the request or reservation.

(iii) If the Transmission System becomes oversubscribed, requests for service may preempt competing reservations up to the following conditional reservation deadlines: one hour before the commencement of hourly service, one day before the commencement of daily service, one week before the commencement of weekly service, and one month before the commencement of monthly service. Before the conditional reservation deadline, if available transfer capability is insufficient to satisfy all requests and reservations, an Eligible Customer with a reservation for shorter term service or equal duration service and lower price has the right of first refusal to match any longer term request or equal duration service with a higher price before losing its reservation priority. A longer term competing request for Short-Term Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in section 13.8) from being notified by the Transmission Provider of a longer-term competing request for Short-Term Firm Point-To-Point Transmission Service. When a longer duration request preempts multiple shorter duration reservations, the shorter duration reservations shall have simultaneous opportunities to exercise the right of first refusal. Duration, price

and time of response will be used to determine the order by which the multiple shorter duration reservations will be able to exercise the right of first refusal. After the conditional reservation deadline, service will commence pursuant to the terms of Part II of the Tariff.

(iv) Firm Point-To-Point Transmission Service will always have a reservation priority over Non Firm Point-To-Point Transmission Service under the Tariff. All Long-Term Firm Point-To-Point Transmission Service will have equal reservation priority with Native Load Customers and Network Customers. Reservation priorities for existing firm service customers are provided in Section 2.2.

13.3 Use of Firm Transmission Service by the Transmission Provider:

The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under (i) agreements executed on or after July 9, 1996 or (ii) agreements executed prior to the aforementioned date that the Commission requires to be unbundled, by the date specified by the Commission. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of the Point-To-Point Transmission Service to make Third-Party Sales.

13.4 Service Agreements:

The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it submits a Completed Application for Long-Term Firm Point-To-Point Transmission Service. The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it first submits a Completed Application for Short-Term Firm Point-To-Point Transmission Service pursuant to the Tariff. Executed Service Agreements that contain the information required under the Tariff shall be filed with the Commission in compliance with applicable Commission regulations. An Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved and that has not executed a Service Agreement will be deemed, for purposes of assessing any appropriate charges and penalties, to have executed the appropriate Service Agreement. The Service Agreement shall, when applicable, specify any conditional curtailment options selected by the Transmission Customer. Where the Service Agreement contains conditional curtailment options and is subject to a biennial reassessment as described in Section 15.4, the Transmission Provider shall provide the Transmission Customer notice of any changes to the curtailment conditions no less than 90 days prior to the date for imposition of new curtailment conditions. Concurrent with such notice, the Transmission Provider shall provide the

Transmission Customer with the reassessment study and a narrative description of the study, including the reasons for changes to the number of hours per year or System Conditions under which conditional curtailment may occur.

13.5 Transmission Customer Obligations for Facility Additions or Redispatch Costs:

In cases where the Transmission Provider determines that the Transmission System is not capable of providing Firm Point-To-Point Transmission Service without (1) degrading or impairing the reliability of service to Native Load Customers, Network Customers and other Transmission Customers taking Firm Point-To-Point Transmission Service, or (2) interfering with the Transmission Provider's ability to meet prior firm contractual commitments to others, the Transmission Provider will be obligated to expand or upgrade its Transmission System pursuant to the terms of Section 15.4. The Transmission Customer must agree to compensate the Transmission Provider for any necessary transmission facility additions pursuant to the terms of Section 27. To the extent the Transmission Provider can relieve any system constraint by redispatching the Transmission Provider's resources, it shall do so, provided that the Eligible Customer agrees to compensate the Transmission Provider pursuant to the terms of Section 27 and agrees to either (i) compensate the Transmission Provider for any necessary transmission facility additions or (ii) accept the service subject to a biennial reassessment

by the Transmission Provider of redispatch requirements as described in Section 15.4. Any redispatch, Network Upgrade or Direct Assignment Facilities costs to be charged to the Transmission Customer on an incremental basis under the Tariff will be specified in the Service Agreement prior to initiating service.

13.6 Curtailment of Firm Transmission Service:

In the event that a Curtailment on the Transmission Provider's Transmission System, or a portion thereof, is required to maintain reliable operation of such system, Curtailments will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint. If multiple transactions require Curtailment, to the extent practicable and consistent with Good Utility Practice, the Transmission Provider will curtail service to Network Customers and Transmission Customers taking Firm Point-To-Point Transmission Service on a basis comparable to the curtailment of service to the Transmission Provider's Native Load Customers. All Curtailments will be made on a non-discriminatory basis, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. Long-Term Firm Point-to-Point Service subject to conditions described in Section 15.4 shall be curtailed with secondary service in cases where the conditions apply, but otherwise will be curtailed on a pro rata basis with other Firm Transmission Service. When the Transmission Provider determines that

an electrical emergency exists on its Transmission System and implements emergency procedures to Curtail Firm Transmission Service, the Transmission Customer shall make the required reductions upon request of the Transmission Provider. However, the Transmission Provider reserves the right to Curtail, in whole or in part, any Firm Transmission Service provided under the Tariff when, in the Transmission Provider's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Transmission System. The Transmission Provider will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments. Transmission Provider shall take necessary measures to ensure reliability in EPE's BAA in accordance with Section 6 of Attachment P.

13.7 Classification of Firm Transmission Service:

(a) The Transmission Customer taking Firm Point-To-Point Transmission Service may (1) change its Receipt and Delivery Points to obtain service on a non-firm basis consistent with the terms of Section 22.1 or (2) request a modification of the Points of Receipt or Delivery on a firm basis pursuant to the terms of Section 22.2.

(b) The Transmission Customer may purchase transmission service to make sales of capacity and energy from multiple generating units that are on the Transmission Provider's Transmission System. For

such a purchase of transmission service, the resources will be designated as multiple Points of Receipt, unless the multiple generating units are at the same generating plant in which case the units would be treated as a single Point of Receipt.

(c) The Transmission Provider shall provide firm deliveries of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery. Each Point of Receipt at which firm transfer capability is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Receipt. Points of Receipt and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Transmission. Each Point of Delivery at which firm transfer capability is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Delivery. Points of Delivery and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Transmission. The greater of either (1) the sum of the capacity reservations at the Point(s) of Receipt, or (2) the sum of the

capacity reservations at the Point(s) of Delivery shall be the Transmission Customer's Reserved Capacity. The Transmission Customer will be billed for its Reserved Capacity under the terms of Schedule 7. The Transmission Customer may not exceed its firm capacity reserved at each Point of Receipt and each Point of Delivery except as otherwise specified in Section 22. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer (including Third-Party Sales by the Transmission Provider) exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or uses Transmission Service at a point of Receipt or Point of Delivery that it has not reserved.

13.8 Scheduling of Firm Point-To-Point Transmission Service:

Schedules for the Transmission Customer's Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 10:00 a.m. of the day prior to commencement of such service. Schedules submitted after 10:00 a.m. will be accommodated, if practicable. Hour-to-hour and intra-hour (four intervals consisting of fifteen minute schedules) schedules of any capacity and energy that is to be delivered must be stated in increments of 1,000 kW per hour. Transmission Customers within the Transmission

Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their service requests at a common point of receipt into units of 1,000 kW per hour for scheduling and billing purposes. Scheduling changes will be permitted up to twenty (20) minutes before the start of the next scheduling interval provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour and intra-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

II. POINT-TO-POINT TRANSMISSION SERVICE

14 Nature of Non-Firm Point-To-Point Transmission Service

14.1 Term:

Non-Firm Point-To-Point Transmission Service will be available for periods ranging from one (1) hour to one (1) month. However, a Purchaser of Non-Firm Point-To-Point Transmission Service will be entitled to reserve a sequential term of service (such as a sequential monthly term without having to wait for the initial term to expire before requesting another monthly term) so that the total time period for which the reservation applies is greater than one month, subject to the requirements of Section 18.3.

14.2 Reservation Priority:

Non-Firm Point-To-Point Transmission Service shall be available from transfer capability in excess of that needed for reliable service to Native Load Customers, Network Customers and other Transmission Customers taking Long-Term and Short-Term Firm Point-To-Point Transmission Service. A higher priority will be assigned first to requests or reservations with a longer duration of service and second to Pre-Confirmed Applications. In the event the Transmission System is constrained, competing requests of the same Pre-Confirmed status and equal duration will be prioritized based on the highest price offered by the Eligible Customer for the Transmission Service. Eligible Customers that have already reserved shorter term service have the right of first refusal to match any longer term request before being preempted. A

longer term competing request for Non-Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request: (a) immediately for hourly Non-Firm Point-To-Point Transmission Service after notification by the Transmission Provider; and, (b) within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in section 14.6) for Non-Firm Point-To-Point Transmission Service other than hourly transactions after notification by the Transmission Provider. Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have the lowest reservation priority under the Tariff.

14.3 Use of Non-Firm Point-To-Point Transmission Service by the Transmission Provider:

The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under (i) agreements executed on or after July 9, 1996 or (ii) agreements executed prior to the aforementioned date that the Commission requires to be unbundled, by the date specified by the Commission. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of Non-Firm Point-To-Point Transmission Service to make Third-Party Sales.

14.4 Service Agreements:

The Transmission Provider shall offer a standard form Non-Firm Point-To-Point Transmission Service Agreement (Attachment B) to an Eligible Customer when it first submits a Completed Application for Non-Firm Point-To-Point Transmission Service pursuant to the Tariff. Executed Service Agreements that contain the information required under the Tariff shall be filed with the Commission in compliance with applicable Commission regulations.

14.5 Classification of Non-Firm Point-To-Point Transmission Service:

Non-Firm Point-To-Point Transmission Service shall be offered under terms and conditions contained in Part II of the Tariff. The Transmission Provider undertakes no obligation under the Tariff to plan its Transmission System in order to have sufficient capacity for Non-Firm Point-To-Point Transmission Service. Parties requesting Non-Firm Point-To-Point Transmission Service for the transmission of firm power do so with the full realization that such service is subject to availability and to Curtailment or Interruption under the terms of the Tariff. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer (including Third-Party Sales by the Transmission Provider) exceeds its non-firm capacity reservation. Non-Firm Point-To-Point Transmission Service shall include transmission of energy on an hourly

basis and transmission of scheduled short-term capacity and energy on a daily, weekly or monthly basis, but not to exceed one month's reservation for any one Application, under Schedule 8.

14.6 Scheduling of Non-Firm Point-To-Point Transmission Service: Schedules for Non-Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 2:00 p.m. of the day prior to commencement of such service. Schedules submitted after 2:00 p.m. will be accommodated, if practicable. Hour-to-hour and intra-hour (four intervals consisting of fifteen minute schedules) schedules of energy that is to be delivered must be stated in increments of 1,000 kW per hour. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their schedules at a common Point of Receipt into units of 1,000 kW per hour. Scheduling changes will be permitted up to twenty (20) minutes before the start of the next scheduling interval provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour and intra-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or

terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

14.7 Curtailment or Interruption of Service:

The Transmission Provider reserves the right to Curtail, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for reliability reasons when an emergency or other unforeseen condition threatens to impair or degrade the reliability of its Transmission System. The Transmission Provider reserves the right to Interrupt, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for economic reasons in order to accommodate (1) a request for Firm Transmission Service, (2) a request for Non- Firm Point-To-Point Transmission Service of greater duration, (3) a request for Non-Firm Point-To-Point Transmission Service of equal duration with a higher price, (4) transmission service for Network Customers from non-designated resources, or (5) transmission service for Firm Point-to-Point Transmission Service during conditional curtailment periods as described in Section 15.4. The Transmission Provider also will discontinue or reduce service to the Transmission Customer to the extent that deliveries for transmission are discontinued or reduced at the Point(s) of Receipt. Where required,

Curtailments or Interruptions will be made on a nondiscriminatory basis to the transaction(s) that effectively relieve the constraint, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. If multiple transactions require Curtailment or Interruption, to the extent practicable and consistent with Good Utility Practice, Curtailments or Interruptions will be made to transactions of the shortest term (e.g., hourly non-firm transactions will be Curtailed or Interrupted before daily non-firm transactions and daily non-firm transactions will be Curtailed or Interrupted before weekly non-firm transactions). Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have a lower priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. The Transmission Provider will provide advance notice of Curtailment or Interruption where such notice can be provided consistent with Good Utility Practice. Transmission Provider shall take necessary measures to ensure reliability in EPE's BAA in accordance with Section 6 of Attachment P.

II. POINT-TO-POINT TRANSMISSION SERVICE

15 Service Availability

15.1 General Conditions:

The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service over, on or across its Transmission System to any Transmission Customer that has met the requirements of Section 16.

15.2 Determination of Available Transfer Capability:

A description of the Transmission Provider's specific methodology for assessing available transfer capability posted on the Transmission Provider's OASIS (Section 4) is contained in Attachment C of the Tariff. In the event sufficient transfer capability may not exist to accommodate a service request, the Transmission Provider will respond by performing a System Impact Study.

15.3 Initiating Service in the Absence of an Executed Service Agreement:

If the Transmission Provider and the Transmission Customer requesting Firm or Non-Firm Point-To-Point Transmission Service cannot agree on all the terms and conditions of the Point-To-Point Service Agreement, the Transmission Provider shall file with the Commission, within thirty (30) days after the date the Transmission Customer provides written notification directing the Transmission Provider to file, an unexecuted Point-To-Point Service Agreement containing terms and conditions deemed appropriate by the Transmission Provider for such requested Transmission Service. The

Transmission Provider shall commence providing Transmission Service subject to the Transmission Customer agreeing to (i) compensate the Transmission Provider at whatever rate the Commission ultimately determines to be just and reasonable, and (ii) comply with the terms and conditions of the Tariff including posting appropriate security deposits in accordance with the terms of Section 17.3.

15.4 Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System, Redispatch or Conditional Curtailment:

(a) If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to expand or modify its Transmission System to provide the requested Firm Transmission Service, consistent with its planning obligations in Attachment K, provided the Transmission Customer agrees to compensate the Transmission Provider for such costs pursuant to the terms of Section 27. The Transmission Provider will conform to Good Utility Practice and its planning obligations in Attachment K, in determining the need for new facilities and in the design and construction of such facilities. The obligation applies only to those facilities that the

Transmission Provider has the right to expand or modify.

(b) If the Transmission Provider determines that it cannot accommodate a Completed Application for Long-Term Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to provide redispatch from its own resources until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide the redispatch, or (iii) the Transmission Customer terminates the service because of redispatch changes resulting from the reassessment. A Transmission Provider shall not unreasonably deny self-provided redispatch or redispatch arranged by the Transmission Customer from a third party resource.

(c) If the Transmission Provider determines that it cannot accommodate a Completed Application for Long-Term Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will offer the Firm Transmission Service with the condition that the Transmission Provider may curtail the service prior to the curtailment of other Firm Transmission Service for a specified

number of hours per year or during System Condition(s). If the Transmission Customer accepts the service, the Transmission Provider will use due diligence to provide the service until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide such service, or (iii) the Transmission Customer terminates the service because the reassessment increased the number of hours per year of conditional curtailment or changed the System Conditions.

15.5 Deferral of Service:

The Transmission Provider may defer providing service until it completes construction of new transmission facilities or upgrades needed to provide Firm Point-To-Point Transmission Service whenever the Transmission Provider determines that providing the requested service would, without such new facilities or upgrades, impair or degrade reliability to any existing firm services.

15.6 Other Transmission Service Schedules:

Eligible Customers receiving transmission service under other agreements on file with the Commission may continue to receive transmission service under those agreements until such time as those agreements may be modified by the Commission.

15.7 Real Power Losses:

Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Transmission Customer shall compensate Transmission Provider for losses associated with all transmission service asprovided in Schedule 10. The applicable Real Power Loss factors and rates for Real Power Loss service are set forth in Schedule 10.

II. POINT-TO-POINT TRANSMISSION SERVICE

16 Transmission Customer Responsibilities

16.1 Conditions Required of Transmission Customers:

Point-To-Point Transmission Service shall be provided by the Transmission Provider only if the following conditions are satisfied by the Transmission Customer:

(a) The Transmission Customer has pending a Completed Application for service;

(b) The Transmission Customer meets the creditworthiness criteria set forth in Section 11;

(c) The Transmission Customer will have arrangements in place for any other transmission service necessary to effect the delivery from the generating source to the Transmission Provider prior to the time service under Part II of the Tariff commences;

(d) The Transmission Customer agrees to pay for any facilities constructed and chargeable to such Transmission Customer under Part II of the Tariff, whether or not the Transmission Customer takes service for the full term of its reservation;

(e) The Transmission Customer provides the information required by the Transmission Provider's planning process established in Attachment K; and

(f) The Transmission Customer has executed a Point-To-Point

Service Agreement or has agreed to receive service pursuant to Section 15.3.

(g) The Transmission Customer must comply with the requirements of Attachment P regarding the EIM.

16.2 Transmission Customer Responsibility for Third-Party Arrangements:

Any scheduling arrangements that may be required by other electric systems shall be the responsibility of the Transmission Customer requesting service. The Transmission Customer shall provide, unless waived by the Transmission Provider, notification to the Transmission Provider identifying such systems and authorizing them to schedule the capacity and energy to be transmitted by the Transmission Provider pursuant to Part II of the Tariff on behalf of the Receiving Party at the Point of Delivery or the Delivering Party at the Point of Receipt. However, the Transmission Provider will undertake reasonable efforts to assist the Transmission Customer in making such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

II. POINT-TO-POINT TRANSMISSION SERVICE

17 Procedures for Arranging Firm Point-To-Point Transmission Service

17.1 Application:

A request for Firm Point-To-Point Transmission Service for periods of one year or longer must contain a written Application to:

El Paso Electric Company at the point of contact posted in the Documents area on the El Paso Electric OASIS opening page under the "Transmission Contact Information" folder

at least sixty (60) days in advance of the calendar month in which service is to commence. The Transmission Provider will consider requests for such firm service on shorter notice when feasible. Requests for firm service for periods of less than one year shall be subject to expedited procedures that shall be negotiated between the Parties within the time constraints provided in Section 17.5. All Firm Point-To-Point Transmission Service requests shall be submitted by transmitting an Application to the Transmission Provider by electronic mail (e-mail) to the e-mail address indicated on the Application or otherwise provided by the Transmission Provider. This method will provide a time-stamped record for establishing the priority of the Application.

17.2 Completed Application:

A Completed Application shall provide all of the information included in 18 CFR § 2.20 including but not limited to the following:

(i) The identity, address, telephone number and email address of the entity requesting service;

(ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;

(iii) The location of the Point(s) of Receipt and Point(s) of Delivery and the identities of the Delivering Parties and the Receiving Parties;

(iv) The location of the generating facility(ies) supplying the capacity and energy and the location of the load ultimately served by the capacity and energy transmitted. The Transmission Provider will treat this information as confidential except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice or pursuant to RTG transmission information sharing agreements. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 358 of the Commission's regulations;

(v) A description of the supply characteristics of the capacity and energy to be delivered;

(vi) An estimate of the capacity and energy expected to be delivered to the Receiving Party;

(vii) The Service Commencement Date and the term of the requested Transmission Service;

(viii) The transmission capacity requested for each Point of Receipt and

each Point of Delivery on the Transmission Provider's Transmission System; customers may combine their requests for service in order to satisfy the minimum transmission capacity requirement;

(ix) A statement indicating that, if the Eligible Customer submits a Pre-Confirmed Application, the Eligible Customer will execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service; and

(x) Any additional information required by the Transmission Provider's planning process established in Attachment K.

The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 358 of the Commission's regulations.

17.3 Deposit:

A Completed Application for Firm Point-To-Point Transmission Service also shall include a deposit of either one month's charge for Reserved Capacity or the full charge for Reserved Capacity for service requests of less than one month. If the Application is rejected by the Transmission Provider because it does not meet the conditions for service as set forth herein, or in the case of requests for service arising in connection with losing bidders in a Request For Proposals (RFP), said deposit shall be returned with interest less any

reasonable costs incurred by the Transmission Provider in connection with the review of the losing bidder's Application. The deposit also will be returned with interest less any reasonable costs incurred by the Transmission Provider if the Transmission Provider is unable to complete new facilities needed to provide the service. If an Application is withdrawn or the Eligible Customer decides not to enter into a Service Agreement for Firm Point-To-Point Transmission Service, the deposit shall be refunded in full, with interest, less reasonable costs incurred by the Transmission Provider to the extent such costs have not already been recovered by the Transmission Provider from the Eligible Customer. The Transmission Provider will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the Eligible Customer may contest if there is a dispute concerning the deducted costs. Deposits associated with construction of new facilities are subject to the provisions of Section 19. If a Service Agreement for Firm Point-To-Point Transmission Service is executed, the deposit and any accrued interest will be credited against the Transmission Customer’s monthly transmission service bill(s) upon commencement of service until the deposit and interest are returned in full provided the Transmission Customer is considered creditworthy pursuant to the criteria set forth in Attachment L. Applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii), and shall be calculated from the day the deposit amount is credited to the Transmission Provider's account. Each

Transmission Customer deposit held by the Transmission Provider pursuant to this Section 17.3 as of the effective date of this tariff sheet shall be returned with interest to each respective Transmission Customer provided the Transmission Customer is considered creditworthy pursuant to the criteria set forth in Attachment L, by crediting the deposit and interest against each respective Transmission Customer's monthly transmission service bill(s) in the month(s) following the issuance of the final and non-appealable Commission decision accepting this tariff sheet. In the event the entire deposit and interest are not fully credited before the expiration or termination of the Service Agreement for Firm Point-To-Point Transmission Service and provided the Transmission Customer has no outstanding payment balance due, the Transmission Provider will return any remaining deposit, with interest, to the Transmission Customer within thirty (30) days of the expiration or termination of the Service Agreement.

17.3.1 Transmission Provider may waive the collection of a deposit under Section 17.3 where the Transmission Customer is an existing customer of Transmission Provider, with a minimum two-year timely payment history and no default under its existing Service Agreement(s). A two-year timely payment history is considered a consecutive two-year period in which the Transmission Customer's payment practices conformed to Section 7.1.

17.3.2 An Application is considered a Completed Application when the Transmission Provider receives the Eligible Customer's deposit in accordance with Section 17.3 above. To allow an Eligible Customer to seek waiver of the deposit under Section 17.3.1, without jeopardizing its reservation priority, Transmission Provider will assign reservation priority based upon when the Transmission Provider receives the Eligible Customer's Application (without the deposit), with respect to those services that are subject to a reservation priority based upon the date/time of the request, as set forth in Section 13.2. The Eligible Customer will not lose its place in the reservation queue if the Transmission Provider grants waiver of the deposit under Section 17.3.1 or if the Transmission Provider, absent a waiver, receives the Eligible Customer's deposit no later than 10 days following receipt of the Eligible Customer's Application.

17.4 Notice of Deficient Application:

If an Application fails to meet the requirements of the Tariff, other than the requirement to include a deposit with an Application pursuant to Section 17.3, the Transmission Provider shall notify the entity requesting service within fifteen (15) days of receipt of the reasons for such failure. The Transmission Provider will attempt to remedy minor deficiencies in the Application through

informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application, along with any deposit, with interest. Upon receipt of a new or revised Application that fully complies with the requirements of Part II of the Tariff, the Eligible Customer shall be assigned a new priority consistent with the date of the new or revised Application.

The Transmission Provider will deem withdrawn an Application submitted without a deposit unless (a) the deposit is waived by the Transmission Provider under Section 17.3.1, or (b) the Transmission Provider receives the deposit no later than 10 days following receipt of the Application.

17.5 Response to a Completed Application:

Following receipt of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider shall make a determination of available transfer capability as required in Section 15.2. The Transmission Provider shall notify the Eligible Customer as soon as practicable, but not later than thirty (30) days after the date of receipt of a Completed Application either (i) if it will be able to provide service without performing a System Impact Study or (ii) if such a study is needed to evaluate the impact of the Application pursuant to Section 19.1. Responses by the Transmission Provider must be made as soon as practicable to all completed applications (including applications by its own merchant function) and the timing of such

responses must be made on a non-discriminatory basis.

17.6 Execution of Service Agreement:

Whenever the Transmission Provider determines that a System Impact Study is not required and that the service can be provided, it shall notify the Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application. Where a System Impact Study is required, the provisions of Section 19 will govern the execution of a Service Agreement. Failure of an Eligible Customer to execute and return the Service Agreement or request the filing of an unexecuted service agreement pursuant to Section 15.3, within fifteen (15) days after it is tendered by the Transmission Provider will be deemed a withdrawal and termination of the Application and any deposit submitted shall be refunded with interest. Nothing herein limits the right of an Eligible Customer to file another Application after such withdrawal and termination.

17.7 Extensions for Commencement of Service:

The Transmission Customer can obtain, subject to availability, up to <u>five (5) one-year extensions</u> for the commencement of service. The Transmission Customer may postpone service by paying a non-refundable annual reservation fee equal to one-month's charge for Firm Transmission Service for each year or fraction thereof within 15 days of notifying the Transmission Provider it intends to extend the commencement of service. If during any

extension for the commencement of service an Eligible Customer submits a Completed Application for Firm Transmission Service, and such request can be satisfied only by releasing all or part of the Transmission Customer's Reserved Capacity, the original Reserved Capacity will be released unless the following condition is satisfied. Within thirty (30) days, the original Transmission Customer agrees to pay the Firm Point-To-Point transmission rate for its Reserved Capacity concurrent with the new Service Commencement Date. In the event the Transmission Customer elects to release the Reserved Capacity, the reservation fees or portions thereof previously paid will be forfeited.

II. POINT-TO-POINT TRANSMISSION SERVICE

18 Procedures for Arranging Non-Firm Point-To-Point Transmission Service

18.1 Application:

Eligible Customers seeking Non-Firm Point-To-Point Transmission Service must submit a Completed Application to the Transmission Provider. Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS. All Non-Firm Point-To-Point Transmission Service requests shall be submitted by transmitting an Application to the Transmission Provider by electronic mail (e-mail) to the e-mail address indicated on the Application or otherwise provided by the Transmission Provider. This method will provide a time-stamped record for establishing the service priority of the Application.

18.2 Completed Application:

A Completed Application shall provide all of the information included in 18 CFR §2.20 including but not limited to the following:

(i) The identity, address, telephone number and email address of the entity requesting service;

(ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;

(iii) The Point(s) of Receipt and the Point(s) of Delivery;

(iv) The maximum amount of capacity requested at each Point of

Receipt and Point of Delivery; and

(v) The proposed dates and hours for initiating and terminating transmission service hereunder.

In addition to the information specified above, when required to properly evaluate system conditions, the Transmission Provider also may ask the Transmission Customer to provide the following:

(vi) The electrical location of the initial source of the power to be transmitted pursuant to the Transmission Customer's request for service; and

(vii) The electrical location of the ultimate load.

The Transmission Provider will treat this information in (vi) and (vii) as confidential at the request of the Transmission Customer except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice, or pursuant to RTG transmission information sharing agreements. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 358 of the Commission's regulations.

(viii) A statement indicating that, if the Eligible Customer submits a Pre-Confirmed Application, the Eligible Customer will execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.

18.3 Reservation of Non-Firm Point-To-Point Transmission Service:

Requests for monthly service shall be submitted no earlier than sixty (60) days before service is to commence; requests for weekly service shall be submitted no earlier than fourteen (14) days before service is to commence, requests for daily service shall be submitted no earlier than two (2) days before service is to commence, and requests for hourly service shall be submitted no earlier than noon the day before service is to commence. Requests for service received later than 2:00 p.m. prior to the day service is scheduled to commence will be accommodated if practicable.

18.4 Determination of Available Transfer Capability:

Following receipt of a tendered schedule the Transmission Provider will make a determination on a non-discriminatory basis of available transfer capability pursuant to Section 15.2. Such determination shall be made as soon as reasonably practicable after receipt, but not later than the following time periods for the following terms of service (i) thirty (30) minutes for hourly service, (ii) thirty (30) minutes for daily service, (iii) four (4) hours for weekly service, and (iv) two (2) days for monthly service or such reasonable times that are generally accepted in the region and are consistently adhered to by the Transmission Provider.

II. POINT-TO-POINT TRANSMISSION SERVICE

19 Additional Study Procedures For Firm Point-To-Point Transmission Service Requests

19.1 Notice of Need for System Impact Study:

After receiving a request for service, the Transmission Provider shall determine on a nondiscriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. Once informed, the Eligible Customer shall timely notify the Transmission Provider if it elects to have the Transmission Provider study redispatch or conditional curtailment as part of the System Impact Study. If notification is provided prior to tender of the System Impact Study Agreement, the Eligible Customer can avoid the costs associated with the study of these options. The Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer

elects not to execute the System Impact Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned with interest.

19.2 System Impact Study Agreement and Cost Reimbursement:

(i) The System Impact Study Agreement will clearly specify the Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.

(ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the requests for service, the costs of that study shall be pro-rated among the Eligible Customers.

(iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 8.

19.3 System Impact Study Procedures:

Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify (1) any system constraints, identified with specificity by transmission element or flowgate, (2) redispatch options (when requested by an Eligible Customer) including an estimate of the cost of redispatch, (3) conditional curtailment options (when requested by an Eligible Customer) including the number of hours per year and the System Conditions during which conditional curtailment may occur, and (4) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. For customers requesting the study of redispatch options, the System Impact Study shall (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving the system constraint and (2) provide a measurement of each resource's impact on the system constraint. If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such

resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer as soon as the System Impact Study is complete. The Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request the filing of an unexecuted Service Agreement pursuant to Section 15.3, or the Application shall be deemed terminated and withdrawn.

19.4 Facilities Study Procedures:

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service

request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Transmission Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Transmission Customer, (ii) the Transmission Customer's appropriate share of the cost of any required Network Upgrades as determined pursuant to the provisions of Part II of the Tariff, and (iii) the time required to complete such construction and initiate the requested service. The Transmission Customer

shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Transmission Customer shall have thirty (30) days to execute a Service Agreement or request the filing of an unexecuted Service Agreement and provide the required letter of credit or other form of security or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn.

19.5 Facilities Study Modifications:

Any change in design arising from inability to site or construct facilities as proposed will require development of a revised good faith estimate. New good faith estimates also will be required in the event of new statutory or regulatory requirements that are effective before the completion of construction or other circumstances beyond the control of the Transmission Provider that significantly affect the final cost of new facilities or upgrades to be charged to the Transmission Customer pursuant to the provisions of Part II of the Tariff.

19.6 Due Diligence in Completing New Facilities:

The Transmission Provider shall use due diligence to add necessary facilities or upgrade its Transmission System within a reasonable time. The

Transmission Provider will not upgrade its existing or planned Transmission System in order to provide the requested Firm Point-To-Point Transmission Service if doing so would impair system reliability or otherwise impair or degrade existing firm service.

19.7 Partial Interim Service:

If the Transmission Provider determines that it will not have adequate transfer capability to satisfy the full amount of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider nonetheless shall be obligated to offer and provide the portion of the requested Firm Point-To-Point Transmission Service that can be accommodated without addition of any facilities and through redispatch. However, the Transmission Provider shall not be obligated to provide the incremental amount of requested Firm Point-To-Point Transmission Service that requires the addition of facilities or upgrades to the Transmission System until such facilities or upgrades have been placed in service.

19.8 Expedited Procedures for New Facilities:

In lieu of the procedures set forth above, the Eligible Customer shall have the option to expedite the process by requesting the Transmission Provider to tender at one time, together with the results of required studies, an "Expedited Service Agreement" pursuant to which the Eligible Customer would agree to compensate the Transmission Provider for all costs incurred pursuant to the

terms of the Tariff. In order to exercise this option, the Eligible Customer shall request in writing an expedited Service Agreement covering all of the above-specified items within thirty (30) days of receiving the results of the System Impact Study identifying needed facility additions or upgrades or costs incurred in providing the requested service. While the Transmission Provider agrees to provide the Eligible Customer with its best estimate of the new facility costs and other charges that may be incurred, such estimate shall not be binding and the Eligible Customer must agree in writing to compensate the Transmission Provider for all costs incurred pursuant to the provisions of the Tariff. The Eligible Customer shall execute and return such an Expedited Service Agreement within fifteen (15) days of its receipt or the Eligible Customer's request for service will cease to be a Completed Application and will be deemed terminated and withdrawn.

19.9 Penalties for Failure to Meet Study Deadlines:

Sections 19.3 and 19.4 require a Transmission Provider to use due diligence to meet 60-day study completion deadlines for System Impact Studies and Facilities Studies.

(i) The Transmission Provider is required to file a notice with the Commission in the event that more than twenty (20) percent of non-Affiliates' System Impact Studies and Facilities Studies completed by the Transmission Provider in any two consecutive

calendar quarters are not completed within the 60-day study completion deadlines. Such notice must be filed within thirty (30) days of the end of the calendar quarter triggering the notice requirement.

(ii) For the purposes of calculating the percent of non-Affiliates' System Impact Studies and Facilities Studies processed outside of the 60-day study completion deadlines, the Transmission Provider shall consider all System Impact Studies and Facilities Studies that it completes for non-Affiliates during the calendar quarter. The percentage should be calculated by dividing the number of those studies which are completed on time by the total number of completed studies. The Transmission Provider may provide an explanation in its notification filing to the Commission if it believes there are extenuating circumstances that prevented it from meeting the 60-day study completion deadlines.

(iii) The Transmission Provider is subject to an operational penalty if it completes ten (10) percent or more of non-Affiliates' System Impact Studies and Facilities Studies outside of the 60-day study completion deadlines for each of the two calendar quarters immediately following the quarter that triggered its notification filing to the Commission. The operational penalty will be assessed for each calendar quarter for which an operational

penalty applies, starting with the calendar quarter immediately following the quarter that triggered the Transmission Provider's notification filing to the Commission. The operational penalty will continue to be assessed each quarter until the Transmission Provider completes at least ninety (90) percent of all non-Affiliates' System Impact Studies and Facilities Studies within the 60-day deadline.

(iv) For penalties assessed in accordance with subsection (iii) above, the penalty amount for each System Impact Study or Facilities Study shall be equal to $500 for each day the Transmission Provider takes to complete that study beyond the 60-day deadline.

II. POINT-TO-POINT TRANSMISSION SERVICE

20 Procedures if The Transmission Provider is Unable to Complete New Transmission Facilities for Firm Point-To-Point Transmission Service

20.1 Delays in Construction of New Facilities:

If any event occurs that will materially affect the time for completion of new facilities, or the ability to complete them, the Transmission Provider shall promptly notify the Transmission Customer. In such circumstances, the Transmission Provider shall within thirty (30) days of notifying the Transmission Customer of such delays, convene a technical meeting with the Transmission Customer to evaluate the alternatives available to the Transmission Customer. The Transmission Provider also shall make available to the Transmission Customer studies and work papers related to the delay, including all information that is in the possession of the Transmission Provider that is reasonably needed by the Transmission Customer to evaluate any alternatives.

20.2 Alternatives to the Original Facility Additions:

When the review process of Section 20.1 determines that one or more alternatives exist to the originally planned construction project, the Transmission Provider shall present such alternatives for consideration by the Transmission Customer. If, upon review of any alternatives, the Transmission Customer desires to maintain its Completed Application subject to construction of the alternative facilities, it may request the Transmission

Provider to submit a revised Service Agreement for Firm Point-To-Point Transmission Service. If the alternative approach solely involves Non-Firm Point-To-Point Transmission Service, the Transmission Provider shall promptly tender a Service Agreement for Non-Firm Point-To-Point Transmission Service providing for the service. In the event the Transmission Provider concludes that no reasonable alternative exists and the Transmission Customer disagrees, the Transmission Customer may seek relief under the dispute resolution procedures pursuant to Section 12 or it may refer the dispute to the Commission for resolution.

20.3 Refund Obligation for Unfinished Facility Additions:

If the Transmission Provider and the Transmission Customer mutually agree that no other reasonable alternatives exist and the requested service cannot be provided out of existing capability under the conditions of Part II of the Tariff, the obligation to provide the requested Firm Point-To-Point Transmission Service shall terminate and any deposit made by the Transmission Customer shall be returned with interest pursuant to Commission regulations 35.19a(a)(2)(iii). However, the Transmission Customer shall be responsible for all prudently incurred costs by the Transmission Provider through the time construction was suspended.

II. POINT-TO-POINT TRANSMISSION SERVICE

21 Provisions Relating to Transmission Construction and Services on the Systems of Other Utilities

21.1 Responsibility for Third-Party System Additions:

The Transmission Provider shall not be responsible for making arrangements for any necessary engineering, permitting, and construction of transmission or distribution facilities on the system(s) of any other entity or for obtaining any regulatory approval for such facilities. The Transmission Provider will undertake reasonable efforts to assist the Transmission Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

21.2 Coordination of Third-Party System Additions:

In circumstances where the need for transmission facilities or upgrades is identified pursuant to the provisions of Part II of the Tariff, and if such upgrades further require the addition of transmission facilities on other systems, the Transmission Provider shall have the right to coordinate construction on its own system with the construction required by others. The Transmission Provider, after consultation with the Transmission Customer and representatives of such other systems, may defer construction of its new transmission facilities, if the new transmission facilities on another system cannot be completed in a timely manner. The Transmission Provider shall notify the Transmission Customer in writing of the basis for any decision to

defer construction and the specific problems which must be resolved before it will initiate or resume construction of new facilities. Within sixty (60) days of receiving written notification by the Transmission Provider of its intent to defer construction pursuant to this section, the Transmission Customer may challenge the decision in accordance with the dispute resolution procedures pursuant to Section 12 or it may refer the dispute to the Commission for resolution.

II. POINT-TO-POINT TRANSMISSION SERVICE

22 Changes in Service Specifications

22.1 Modifications On a Non-Firm Basis:

The Transmission Customer taking Firm Point-To-Point Transmission Service may request the Transmission Provider to provide transmission service on a non-firm basis over Receipt and Delivery Points other than those specified in the Service Agreement ("Secondary Receipt and Delivery Points"), in amounts not to exceed its firm capacity reservation, without incurring an additional Non-Firm Point-To-Point Transmission Service charge or executing a new Service Agreement, subject to the following conditions.

(a) Service provided over Secondary Receipt and Delivery Points will be non-firm only, on an as- available basis and will not displace any firm or non firm service reserved or scheduled by third- parties under the Tariff or by the Transmission Provider on behalf of its Native Load Customers.

(b) The sum of all Firm and non-firm Point-To-Point Transmission Service provided to the Transmission Customer at any time pursuant to this section shall not exceed the Reserved Capacity in the relevant Service Agreement under which such services are provided.

(c) The Transmission Customer shall retain its right to schedule Firm Point-To-Point Transmission Service at the Receipt and Delivery

Points specified in the relevant Service Agreement in the amount of its original capacity reservation.

(d) Service over Secondary Receipt and Delivery Points on a non-firm basis shall not require the filing of an Application for Non-Firm Point-To-Point Transmission Service under the Tariff. However, all other requirements of Part II of the Tariff (except as to transmission rates) shall apply to transmission service on a non-firm basis over Secondary Receipt and Delivery Points.

22.2 Modification On a Firm Basis:

Any request by a Transmission Customer to modify Receipt and Delivery Points on a firm basis shall be treated as a new request for service in accordance with Section 17 hereof, except that such Transmission Customer shall not be obligated to pay any additional deposit if the capacity reservation does not exceed the amount reserved in the existing Service Agreement, or if the Transmission Provider waives the collection of an additional deposit based upon the Transmission Customer's past practices as set forth in Section 17.3.1. In the event the Transmission Customer is required to pay an additional deposit for such modification (*i.e.*, the capacity reservation exceeds the amount reserved under the existing Service Agreement), the Transmission Provider will return the additional deposit to the Transmission Customer in accordance with the applicable provisions of Section 17.3 as applied to the

new service request. While such new request is pending, the Transmission Customer shall retain its priority for service at the existing firm Receipt and Delivery Points specified in its Service Agreement.

II. POINT-TO-POINT TRANSMISSION SERVICE

23 Sale or Assignment of Transmission Service

23.1 Procedures for Assignment or Transfer of Service:

Subject to Commission approval of any necessary filings, a Transmission Customer may sell, assign, or transfer all or a portion of its rights under its Service Agreement, but only to another Eligible Customer (the Assignee). The Transmission Customer that sells, assigns or transfers its rights under its Service Agreement is hereafter referred to as the Reseller. Compensation to Resellers shall not exceed higher of (i) the original rate paid by the Reseller, (ii) the Transmission Provider's maximum rate on file at the time of the assignment, or (iii) the Reseller's opportunity cost capped at the Transmission Provider's cost of expansion; provided that, for service prior to October 1, 2010, compensation to Resellers shall be at rates established by agreement between the Reseller and the Assignee.

The Assignee must execute a service agreement with the Transmission Provider governing reassignments of transmission service prior to the date on which the reassigned service commences. The Transmission Provider shall charge the Reseller, as appropriate, at the rate stated in the Reseller's Service Agreement with the Transmission Provider or the associated OASIS schedule and credit the Reseller with the price reflected in the Assignee's Service Agreement with the Transmission Provider or the associated OASIS schedule; provided that, such credit shall be reversed in the

event of non-payment by the Assignee. If the Assignee does not request any change in the Point(s) of Receipt or the Point(s) of Delivery, or a change in any other term or condition set forth in the original Service Agreement, the Assignee will receive the same services as did the Reseller and the priority of service for the Assignee will be the same as that of the Reseller. The Assignee will be subject to all terms and conditions of this Tariff. If the Assignee requests a change in service, the reservation priority of service will be determined by the Transmission Provider pursuant to Section 13.2.

23.2 Limitations on Assignment or Transfer of Service:

If the Assignee requests a change in the Point(s) of Receipt or Point(s) of Delivery, or a change in any other specifications set forth in the original Service Agreement, the Transmission Provider will consent to such change subject to the provisions of the Tariff, provided that the change will not impair the operation and reliability of the Transmission Provider's generation, transmission, or distribution systems. The Assignee shall compensate the Transmission Provider for performing any System Impact Study needed to evaluate the capability of the Transmission System to accommodate the proposed change and any additional costs resulting from such change. The Reseller shall remain liable for the performance of all obligations under the Service Agreement, except as specifically agreed to by the Transmission Provider and the Reseller through an amendment to the Service Agreement.

23.3 Information on Assignment or Transfer of Service:

In accordance with Section 4, all sales or assignments of capacity must be conducted through or otherwise posted on the Transmission Provider's OASIS on or before the date the reassigned service commences and are subject to Section 23.1. Resellers may also use the Transmission Provider's OASIS to post transmission capacity available for resale.

II. POINT-TO-POINT TRANSMISSION SERVICE

24 Metering and Power Factor Correction at Receipt and Delivery Points(s)

24.1 Transmission Customer Obligations:

Unless otherwise agreed, the Transmission Customer shall be responsible for installing and maintaining compatible metering and communications equipment to accurately account for the capacity and energy being transmitted under Part II of the Tariff and to communicate the information to the Transmission Provider. Such equipment shall remain the property of the Transmission Customer.

24.2 Transmission Provider Access to Metering Data:

The Transmission Provider shall have access to metering data, which may reasonably be required to facilitate measurements and billing under the Service Agreement.

24.3 Power Factor:

Unless otherwise agreed, the Transmission Customer is required to maintain a power factor within the same range as the Transmission Provider pursuant to Good Utility Practices. The power factor requirements are specified in the Service Agreement where applicable.

II. POINT-TO-POINT TRANSMISSION SERVICE

25 Compensation for Transmission Service

Rates for Firm and Non-Firm Point-To-Point Transmission Service are provided in the Schedules appended to the Tariff: Firm Point-To-Point Transmission Service (Schedule 7); and Non-Firm Point-To-Point Transmission Service (Schedule 8). The Transmission Provider shall use Part II of the Tariff to make its Third-Party Sales. The Transmission Provider shall account for such use at the applicable Tariff rates, pursuant to Section 8.

II. POINT-TO-POINT TRANSMISSION SERVICE

26 Stranded Cost Recovery

The Transmission Provider may seek to recover stranded costs from the Transmission Customer pursuant to this Tariff in accordance with the terms, conditions and procedures set forth in FERC Order No. 888. However, the Transmission Provider must separately file any specific proposed stranded cost charge under Section 205 of the Federal Power Act.

II. POINT-TO-POINT TRANSMISSION SERVICE

27 Compensation for New Facilities and Redispatch Costs

Whenever a System Impact Study performed by the Transmission Provider in connection with the provision of Firm Point-To-Point Transmission Service identifies the need for new facilities, the Transmission Customer shall be responsible for such costs to the extent consistent with Commission policy. Whenever a System Impact Study performed by the Transmission Provider identifies capacity constraints that may be relieved by redispatching the Transmission Provider's resources to eliminate such constraints, the Transmission Customer shall be responsible for the redispatch costs to the extent consistent with Commission policy.

III. NETWORK INTEGRATION TRANSMISSION SERVICE

Preamble

The Transmission Provider will provide Network Integration Transmission Service pursuant to the applicable terms and conditions contained in the Tariff and Service Agreement. Network Integration Transmission Service allows the Network Customer to integrate, economically dispatch and regulate its current and planned Network Resources to serve its Network Load in a manner comparable to that in which the Transmission Provider utilizes its Transmission System to serve its Native Load Customers. Network Integration Transmission Service also may be used by the Network Customer to deliver economy energy purchases to its Network Load from non-designated resources on an as- available basis without additional charge. Transmission service for sales to non-designated loads will be provided pursuant to the applicable terms and conditions of Part II of the Tariff.

III. NETWORK INTEGRATION TRANSMISSION SERVICE

28 Nature of Network Integration Transmission Service

28.1 Scope of Service:

Network Integration Transmission Service is a transmission service that allows Network Customers to efficiently and economically utilize their Network Resources (as well as other non-designated generation resources) to serve their Network Load located in the Transmission Provider's Control Area and any additional load that may be designated pursuant to Section 31.3 of the Tariff. The Network Customer taking Network Integration Transmission Service must obtain or provide Ancillary Services pursuant to Section 3 and must comply with the requirements of Attachment P regarding the EIM.

28.2 Transmission Provider Responsibilities:

The Transmission Provider will plan, construct, operate and maintain its Transmission System in accordance with Good Utility Practice and its planning obligations in Attachment K in order to provide the Network Customer with Network Integration Transmission Service over the Transmission Provider's Transmission System. The Transmission Provider, on behalf of its Native Load Customers, shall be required to designate resources and loads in the same manner as any Network Customer under Part III of this Tariff. This information must be consistent with the information used by the Transmission Provider to calculate available transfer capability. The Transmission Provider shall include the Network Customer's Network

Load in its Transmission System planning and shall, consistent with Good Utility Practice and Attachment K, endeavor to construct and place into service sufficient transfer capability to deliver the Network Customer's Network Resources to serve its Network Load on a basis comparable to the Transmission Provider's delivery of its own generating and purchased resources to its Native Load Customers.

28.3 Network Integration Transmission Service:

The Transmission Provider will provide firm transmission service over its Transmission System to the Network Customer for the delivery of capacity and energy from its designated Network Resources to service its Network Loads on a basis that is comparable to the Transmission Provider's use of the Transmission System to reliably serve its Native Load Customers.

28.4 Secondary Service:

The Network Customer may use the Transmission Provider's Transmission System to deliver energy to its Network Loads from resources that have not been designated as Network Resources. Such energy shall be transmitted, on an as-available basis, at no additional charge. Secondary service shall not require the filing of an Application for Network Integration Transmission Service under the Tariff. However, all other requirements of Part III of the Tariff (except for transmission rates) shall apply to secondary service. Deliveries from resources other than Network Resources will have a higher

priority than any Non-Firm Point-To-Point Transmission Service under Part II of the Tariff.

28.5 Real Power Losses:

Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Network Customer shall compensate Transmission Provider for losses associated with all transmission service as provided in Schedule 10. The applicable Real Power Loss factors and rates for Real Power Loss service are set forth in Schedule 10.

28.6 Restrictions on Use of Service:

The Network Customer shall not use Network Integration Transmission Service for (i) sales of capacity and energy to non-designated loads, or (ii) direct or indirect provision of transmission service by the Network Customer to third parties. All Network Customers taking Network Integration Transmission Service shall use Point-To-Point Transmission Service under Part II of the Tariff for any Third-Party Sale which requires use of the Transmission Provider's Transmission System. The Transmission Provider shall specify any appropriate charges and penalties and all related terms and conditions applicable in the event that a Network Customer uses Network Integration Transmission Service or secondary service pursuant to Section 28.4 to facilitate a wholesale sale that does not serve a Network Load.

28.7 Participation in the EIM:

Notwithstanding the limitations in Section 28.6, Network Customers utilizing a Network Integration Transmission Service Agreement and Native Load Customer may participate in the EIM without a requirement to terminate the designation of any Network Resource that is an EPE EIM Participating Resource consistent with Section 30.3 of this Tariff and without a requirement to reserve additional Point-To-Point Transmission Service for such transaction.

III. NETWORK INTEGRATION TRANSMISSION SERVICE

29 Initiating Service

29.1 Condition Precedent for Receiving Service:

Subject to the terms and conditions of Part III of the Tariff, the Transmission Provider will provide Network Integration Transmission Service to any Eligible Customer, provided that (i) the Eligible Customer completes an Application for service as provided under Part III of the Tariff, (ii) the Eligible Customer and the Transmission Provider complete the technical arrangements set forth in Sections 29.3 and 29.4, (iii) the Eligible Customer executes a Service Agreement pursuant to Attachment F for service under Part III of the Tariff or requests in writing that the Transmission Provider file a proposed unexecuted Service Agreement with the Commission, and (iv) the Eligible Customer executes a Network Operating Agreement with the Transmission Provider pursuant to Attachment G.

29.2 Application Procedures:

An Eligible Customer requesting service under Part III of the Tariff must submit an Application, with a deposit approximating the charge for one month of service, to the Transmission Provider as far as possible in advance of the month in which service is to commence. Unless subject to the procedures in Section 2, Completed Applications for Network Integration Transmission Service will be assigned a priority according to the date and time the Application is received, with the earliest Application receiving the highest

priority. A Completed Application shall be submitted by transmitting the required information to the Transmission Provider by electronic mail (e-mail) to the e-mail address indicated on the Application or otherwise provided by the Transmission Provider. This method will provide a time-stamped record for establishing the service priority of the Application. A Completed Application shall provide all of the information included in 18 CFR § 2.20 including but not limited to the following:

(i) The identity, address, telephone number and e-mail address of the party requesting service;

(ii) A statement that the party requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;

(iii) A description of the Network Load at each delivery point. This description should separately identify and provide the Eligible Customer's best estimate of the total loads to be served at each transmission voltage level, and the loads to be served from each Transmission Provider substation at the same transmission voltage level. The description should include a ten (10) year forecast of summer and winter load and resource requirements beginning with the first year after the service is scheduled to commence;

(iv) The amount and location of any interruptible loads included in the Network Load. This shall include the summer and winter

capacity requirements for each interruptible load (had such load not been interruptible), that portion of the load subject to interruption, the conditions under which an interruption can be implemented and any limitations on the amount and frequency of interruptions. An Eligible Customer should identify the amount of interruptible customer load (if any) included in the 10 year load forecast provided in response to (iii) above;

(v) A description of Network Resources (current and 10-year projection). For each on-system Network Resource (unless part of an on-system system sale), such description shall include:

- Unit size and amount of capacity from that unit to be designated as Network Resource
- VAR capability (both leading and lagging) of all generators
- Operating restrictions
  - Any periods of restricted operations throughout the year
  - Maintenance schedules
  - Minimum loading level of unit
  - Normal operating level of unit
  - Any must-run unit designations required for system reliability or contract reasons
- Approximate variable generating cost ($/MWH) for redispatch computations
- Arrangements governing sale and delivery of power to third parties from generating facilities located in the Transmission Provider Control Area, where only a portion of unit output is designated as a Network Resource

For each off-system Network Resource, such description shall include:

- Identification of the Network Resource as an off-system resource

- Amount of power to which the customer has rights
- Delivery point(s) to the Transmission Provider's Transmission System
- Transmission arrangements on the external transmission system(s)
- Operating restrictions, if any
  - Any periods of restricted operations throughout the year
  - Maintenance schedules
  - Minimum loading level of unit
  - Normal operating level of unit
  - Any must-run unit designations required for system reliability or contract reasons
- Approximate variable generating cost ($/MWH) for redispatch computations;

(vi) Description of Eligible Customer's transmission system:

- Load flow and stability data, such as real and reactive parts of the load, lines, transformers, reactive devices and load type, including normal and emergency ratings of all transmission equipment in a load flow format compatible with that used by the Transmission Provider
- Operating restrictions needed for reliability
- Operating guides employed by system operators
- Contractual restrictions or committed uses of the Eligible Customer's transmission system, other than the Eligible Customer's Network Loads and Resources
- Location of Network Resources described in subsection (v) above
- 10 year projection of system expansions or upgrades
- Transmission System maps that include any proposed expansions or upgrades
- Thermal ratings of Eligible Customer's Control Area ties with other Control Areas;

(vii) Service Commencement Date and the term of the requested Network Integration Transmission Service. The minimum term for Network Integration Transmission Service is one year;

(viii) A statement signed by an authorized officer from or agent of the

Network Customer attesting that all of the network resources listed pursuant to Section 29.2(v) satisfy the following conditions: (1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (2) the Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program; and

(ix) Any additional information required of the Transmission Customer as specified: (1) in the Transmission Provider's planning process established in Attachment K; and (2) Attachment P.

Unless the Parties agree to a different time frame, the Transmission Provider must acknowledge the request within ten (10) days of receipt. The acknowledgement must include a date by which a response, including a Service Agreement, will be sent to the Eligible Customer. If an Application fails to meet the requirements of this section, the Transmission Provider shall notify the Eligible Customer requesting service within fifteen (15) days of

receipt and specify the reasons for such failure. Wherever possible, the Transmission Provider will attempt to remedy deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application without prejudice to the Eligible Customer filing a new or revised Application that fully complies with the requirements of this section. The Eligible Customer will be assigned a new priority consistent with the date of the new or revised Application. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 358 of the Commission's regulations. If a Service Agreement for Network Integration Transmission Service is executed, the deposit and any accrued interest will be credited against the Transmission Customer's monthly transmission service bill(s) upon commencement of service until the deposit and interest are returned, provided the Transmission Customer is considered creditworthy pursuant to the criteria set forth in Attachment L. Applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii), and shall be calculated from the day the deposit amount is credited to the Transmission Provider's account. Each Transmission Customer deposit held by the Transmission Provider pursuant to this Section 29.2 as of the effective date of this tariff sheet shall be returned with interest to each respective Transmission Customer provided the Transmission Customer is considered creditworthy pursuant to the criteria as set forth in Attachment

L, by crediting the deposit and interest to each respective Transmission Customer's monthly transmission service bill(s) in the month(s) following the issuance of the final and non-appealable Commission decision accepting this tariff sheet. In the event the entire deposit and interest are not fully credited before the expiration or termination of the Service Agreement for Network Integration Transmission Service and the Transmission Customer has no outstanding payment balance due, the Transmission Provider will return any remaining deposit, with interest, to the Transmission Customer within thirty (30) days of the expiration or termination of the Service Agreement.

29.2.1 Transmission Provider may waive the collection of a deposit under Section 29.2 where the Transmission Customer is an existing customer of Transmission Provider, with a minimum two-year timely payment history and no default under its existing Service Agreement(s). A two-year timely payment history is considered a consecutive two-year period in which the Transmission Customer's payment practices conformed to Section 7.1.

29.2.2 An Application is considered a Completed Application when the Transmission Provider receives the Eligible Customer's deposit in accordance with Section 29.2 above. To allow an Eligible Customer to seek waiver of the deposit under Section 29.2.1, without jeopardizing its reservation priority, Transmission Provider will assign a reservation priority based upon when the Transmission

Provider receives the Eligible Customer's Application (without the deposit). The Eligible Customer will not lose its place in the reservation queue if the Transmission Provider grants waiver of the deposit under Section 29.2.1 or if the Transmission Provider, absent a waiver, receives the Eligible Customer's deposit no later than ten days following receipt of the Eligible Customer's Application.

29.3 Technical Arrangements to be Completed Prior to Commencement of Service:

Network Integration Transmission Service shall not commence until the Transmission Provider and the Network Customer, or a third party, have completed installation of all equipment specified under the Network Operating Agreement consistent with Good Utility Practice and any additional requirements reasonably and consistently imposed to ensure the reliable operation of the Transmission System. The Transmission Provider shall exercise reasonable efforts, in coordination with the Network Customer, to complete such arrangements as soon as practicable taking into consideration the Service Commencement Date.

29.4 Network Customer Facilities:

The provision of Network Integration Transmission Service shall be conditioned upon the Network Customer's constructing, maintaining and operating the facilities on its side of each delivery point or interconnection necessary to reliably deliver capacity and energy from the Transmission

Provider's Transmission System to the Network Customer. The Network Customer shall be solely responsible for constructing or installing all facilities on the Network Customer's side of each such delivery point or interconnection.

29.5 Filing of Service Agreement:

The Transmission Provider will file Service Agreements with the Commission in compliance with applicable Commission regulations.

III. NETWORK INTEGRATION TRANSMISSION SERVICE

30 Network Resources

30.1 Designation of Network Resources:

Network Resources shall include all generation owned, purchased or leased by the Network Customer designated to serve Network Load under the Tariff. Network Resources may not include resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program or participating in the EIM in accordance with Attachment P. Any owned or purchased resources that were serving the Network Customer's loads under firm agreements entered into on or before the Service Commencement Date shall initially be designated as Network Resources until the Network Customer terminates the designation of such resources.

30.2 Designation of New Network Resources:

The Network Customer may designate a new Network Resource by providing the Transmission Provider with as much advance notice as practicable. A designation of a new Network Resource must be made through the Transmission Provider’s OASIS by a request for modification of service pursuant to an Application under Section 29. This request must include a statement that the new Network Resource satisfies the following conditions: (1) the Network Customer owns the resource, has committed to purchase

generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (2) The Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program. The Network Customer's request will be deemed deficient if it does not include this statement and the Transmission Provider will follow the procedures for a deficient application as described in Section 29.2 of the Tariff.

30.3 Termination of Network Resources:

The Network Customer may terminate the designation of all or part of a generating resource as a Network Resource by providing notification to the Transmission Provider through OASIS as soon as reasonably practicable, but not later than the firm scheduling deadline for the period of termination. Any request for termination of Network Resource status must be submitted on OASIS, and should indicate whether the request is for indefinite or temporary termination. A request for indefinite termination of Network Resource status must indicate the date and time that the termination is to be effective, and the identification and capacity of the resource(s) or portions thereof to be

indefinitely terminated. A request for temporary termination of Network Resource status must include the following:

(i) Effective date and time of temporary termination;

(ii) Effective date and time of redesignation, following period of temporary termination;

(iii) Identification and capacity of resource(s) or portions thereof to be temporarily terminated;

(iv) Resource description and attestation for redesignating the network resource following the temporary termination, in accordance with Section 30.2; and

(v) Identification of any related transmission service requests to be evaluated concomitantly with the request for temporary termination, such that the requests for undesignation and the request for these related transmission service requests must be approved or denied as a single request. The evaluation of these related transmission service requests must take into account the termination of the network resources identified in (iii) above, as well as all competing transmission service requests of higher priority.

As part of a temporary termination, a Network Customer may only redesignate the same resource that was originally designated, or a portion thereof. Requests to redesignate a different resource and/or a resource with increased

capacity will be deemed deficient and the Transmission Provider will follow the procedures for a deficient application as described in Section 29.2 of the Tariff.

30.4 Operation of Network Resources:

The Network Customer shall not operate its designated Network Resources located in the Network Customer's or Transmission Provider's Control Area such that the output of those facilities exceeds its designated Network Load, plus Non-Firm Sales delivered pursuant to Part II of the Tariff, plus losses, plus power sales under a reserve sharing program, plus sales that permit curtailment without penalty to serve its designated Network Load. This limitation shall not apply to EPE EIM Participating Resources responding to Dispatch Instruction or to changes in the operation of a Transmission Customer's Network Resources at the request of the Transmission Provider to respond to an emergency or other unforeseen condition which may impair or degrade the reliability of the Transmission System. For all Network Resources not physically connected with the Transmission Provider's Transmission System, the Network Customer may not schedule delivery of energy in excess of the Network Resource's capacity, as specified in the Network Customer's Application pursuant to Section 29, unless the Network Customer supports such delivery within the Transmission Provider's Transmission System by either obtaining Point-to-Point Transmission Service

or utilizing secondary service pursuant to Section 28.4. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Network Customer's schedule at the delivery point for a Network Resource not physically interconnected with the Transmission Provider's Transmission System exceeds the Network Resource's designated capacity, excluding energy delivered using secondary service or Point-to-Point Transmission Service.

30.5 Network Customer Redispatch Obligation:

As a condition to receiving Network Integration Transmission Service, the Network Customer agrees to redispatch its Network Resources as requested by the Transmission Provider pursuant to Section 33.2. To the extent practical, the redispatch of resources pursuant to this section shall be on a least cost, non-discriminatory basis between all Network Customers, and the Transmission Provider.

30.6 Transmission Arrangements for Network Resources Not Physically Interconnected With The Transmission Provider:

The Network Customer shall be responsible for any arrangements necessary to deliver capacity and energy from a Network Resource not physically interconnected with the Transmission Provider's Transmission System. The Transmission Provider will undertake reasonable efforts to assist the Network Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other entity pursuant to

Good Utility Practice.

30.7 Limitation on Designation of Network Resources:

The Network Customer must demonstrate that it owns or has committed to purchase generation pursuant to an executed contract in order to designate a generating resource as a Network Resource. Alternatively, the Network Customer may establish that execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff.

30.8 Use of Interface Capacity by the Network Customer:

There is no limitation upon a Network Customer's use of the Transmission Provider's Transmission System at any particular interface to integrate the Network Customer's Network Resources (or substitute economy purchases) with its Network Loads. However, a Network Customer's use of the Transmission Provider's total interface capacity with other transmission systems may not exceed the Network Customer's Load.

30.9 Network Customer Owned Transmission Facilities:

The Network Customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. In order to receive such consideration the Network Customer must demonstrate that its transmission facilities are integrated into the plans or operations of the Transmission Provider to serve its power and transmission

customers. For facilities added by the Network Customer subsequent to July 13, 2007, the Network Customer shall receive credit for such transmission facilities added if such facilities are integrated into the operations of the Transmission Provider's facilities; provided however, the Network Customer's transmission facilities shall be presumed to be integrated if such transmission facilities, if owned by the Transmission Provider, would be eligible for inclusion in the Transmission Provider's annual transmission revenue requirement as specified in Attachment H. Calculation of any credit under this subsection shall be addressed in either the Network Customer's Service Agreement or any other agreement between the Parties.

III. NETWORK INTEGRATION TRANSMISSION SERVICE

31 Designation of Network Load

31.1 Network Load:

The Network Customer must designate the individual Network Loads on whose behalf the Transmission Provider will provide Network Integration Transmission Service. The Network Loads shall be specified in the Service Agreement.

31.2 New Network Loads Connected With the Transmission Provider:

The Network Customer shall provide the Transmission Provider with as much advance notice as reasonably practicable of the designation of new Network Load that will be added to its Transmission System. A designation of new Network Load must be made through a modification of service pursuant to a new Application. The Transmission Provider will use due diligence to install any transmission facilities required to interconnect a new Network Load designated by the Network Customer. The costs of new facilities required to interconnect a new Network Load shall be determined in accordance with the procedures provided in Section 32.4 and shall be charged to the Network Customer in accordance with Commission policies.

31.3 Network Load Not Physically Interconnected with the Transmission Provider:

This section applies to both initial designation pursuant to Section 31.1 and the subsequent addition of new Network Load not physically interconnected

with the Transmission Provider. To the extent that the Network Customer desires to obtain transmission service for a load outside the Transmission Provider's Transmission System, the Network Customer shall have the option of (1) electing to include the entire load as Network Load for all purposes under Part III of the Tariff and designating Network Resources in connection with such additional Network Load, or (2) excluding that entire load from its Network Load and purchasing Point-To-Point Transmission Service under Part II of the Tariff. To the extent that the Network Customer gives notice of its intent to add a new Network Load as part of its Network Load pursuant to this section the request must be made through a modification of service pursuant to a new Application.

31.4 New Interconnection Points:

To the extent the Network Customer desires to add a new Delivery Point or interconnection point between the Transmission Provider's Transmission System and a Network Load, the Network Customer shall provide the Transmission Provider with as much advance notice as reasonably practicable.

31.5 Changes in Service Requests:

Under no circumstances shall the Network Customer's decision to cancel or delay a requested change in Network Integration Transmission Service (e.g. the addition of a new Network Resource or designation of a new Network Load) in any way relieve the Network Customer of its obligation to pay the

costs of transmission facilities constructed by the Transmission Provider and charged to the Network Customer as reflected in the Service Agreement. However, the Transmission Provider must treat any requested change in Network Integration Transmission Service in a non-discriminatory manner.

31.6 Annual Load and Resource Information Updates:

The Network Customer shall provide the Transmission Provider with annual updates of Network Load and Network Resource forecasts consistent with those included in its Application for Network Integration Transmission Service under Part III of the Tariff including, but not limited to, any information provided under section 29.2(ix) pursuant to the Transmission Provider's planning process in Attachment K. The Network Customer also shall provide the Transmission Provider with timely written notice of material changes in any other information provided in its Application relating to the Network Customer's Network Load, Network Resources, its transmission system or other aspects of its facilities or operations affecting the Transmission Provider's ability to provide reliable service.

III. NETWORK INTEGRATION TRANSMISSION SERVICE

32 Additional Study Procedures For Network Integration Transmission Service Requests

32.1 Notice of Need for System Impact Study:

After receiving a request for service, the Transmission Provider shall determine on a nondiscriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. In such cases, the Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest.

32.2 System Impact Study Agreement and Cost Reimbursement:

(i) The System Impact Study Agreement will clearly specify the

Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.

(ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the service requests, the costs of that study shall be pro-rated among the Eligible Customers.

(iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 8.

32.3 System Impact Study Procedures:

Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify (1) any system constraints, identified with specificity by transmission element or flowgate, (2) redispatch options (when requested by an Eligible Customer) including, to the extent possible, an estimate of the cost of redispatch, (3) available options for installation of automatic devices to curtail service (when requested by an Eligible Customer), and (4) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. For customers requesting the study of redispatch options, the System Impact Study shall (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving the system constraint and (2) provide a measurement of each resource's impact on the system constraint. If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer as soon as the System

Impact Study is complete. The Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request the filing of an unexecuted Service Agreement, or the Application shall be deemed terminated and withdrawn.

32.4 Facilities Study Procedures:

If a System Impact Study indicates that additions or upgrades to the Transmission are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to

execute the Facilities Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Eligible Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Eligible Customer, (ii) the Eligible Customer's appropriate share of the cost of any required Network Upgrades, and (iii) the time required to complete such construction and initiate the requested service. The Eligible Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Eligible Customer shall have thirty (30) days to execute a Service Agreement or request the filing of an unexecuted Service Agreement and provide the required letter of credit or other form of security or the request no longer will be a Completed Application and shall be deemed terminated and withdrawn.

32.5 Penalties for Failure to Meet Study Deadlines:

Section 19.9 defines penalties that apply for failure to meet the 60-day study completion due diligence deadlines for System Impact Studies and Facilities Studies under Part II of the Tariff. These same requirements and penalties apply to service under Part III of the Tariff.

III. NETWORK INTEGRATION TRANSMISSION SERVICE

33 Load Shedding and Curtailments

33.1 Procedures:

Prior to the Service Commencement Date, the Transmission Provider and the Network Customer shall establish Load Shedding and Curtailment procedures pursuant to the Network Operating Agreement with the objective of responding to contingencies on the Transmission System. The Parties will implement such programs during any period when the Transmission Provider determines that a system contingency exists and such procedures are necessary to alleviate such contingency. The Transmission Provider will notify all affected Network Customers in a timely manner of any scheduled Curtailment.

33.2 Transmission Constraints:

During any period when the Transmission Provider determines that a transmission constraint exists on the Transmission System, and such constraint may impair the reliability of the Transmission Provider's system, the Transmission Provider will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of the Transmission Provider's system. To the extent the Transmission Provider determines that the reliability of the Transmission System can be maintained by redispatching resources, the Transmission Provider will initiate procedures

pursuant to the Network Operating Agreement to redispatch all Network Resources and the Transmission Provider's own resources on a least-cost basis without regard to the ownership of such resources. Any redispatch under this section may not unduly discriminate between the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers and any Network Customer's use of the Transmission System to serve its designated Network Load.

33.3 Cost Responsibility for Relieving Transmission Constraints:

Whenever the Transmission Provider implements least-cost redispatch procedures in response to a transmission constraint, the Transmission Provider and Network Customers will each bear a proportionate share of the total redispatch cost based on their respective Load Ratio Shares.

33.4 Curtailments of Scheduled Deliveries:

If a transmission constraint on the Transmission Provider's Transmission System cannot be relieved through the implementation of least-cost redispatch procedures and the Transmission Provider determines that it is necessary to Curtail scheduled deliveries, the Parties shall Curtail such schedules in accordance with the Network Operating Agreement.

33.5 Allocation of Curtailments:

The Transmission Provider shall, on a nondiscriminatory basis, Curtail the transaction(s) that effectively relieve the constraint. However, to the extent

practicable and consistent with Good Utility Practice, any Curtailment will be shared by the Transmission Provider and Network Customer in proportion to their respective Load Ratio Shares. The Transmission Provider shall not direct the Network Customer to Curtail schedules to an extent greater than the Transmission Provider would Curtail the Transmission Provider's schedules under similar circumstances.

33.6 Load Shedding:

To the extent that a system contingency exists on the Transmission Provider's Transmission System and the Transmission Provider determines that it is necessary for the Transmission Provider and the Network Customer to shed load, the Parties shall shed load in accordance with previously established procedures under the Network Operating Agreement.

33.7 System Reliability:

Notwithstanding any other provisions of this Tariff, the Transmission Provider reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to Curtail Network Integration Transmission Service without liability on the Transmission Provider's part for the purpose of making necessary adjustments to, changes in, or repairs on its lines, substations and facilities, and in cases where the continuance of Network Integration Transmission Service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on the Transmission Provider's

Transmission System or on any other system(s) directly or indirectly interconnected with the Transmission Provider's Transmission System, the Transmission Provider, consistent with Good Utility Practice, also may Curtail Network Integration Transmission Service in order to (i) limit the extent or damage of the adverse condition(s) or disturbance(s), (ii) prevent damage to generating or transmission facilities, or (iii) expedite restoration of service. The Transmission Provider will give the Network Customer as much advance notice as is practicable in the event of such Curtailment. Any Curtailment of Network Integration Transmission Service will be not unduly discriminatory relative to the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that the Network Customer fails to respond to established Load Shedding and Curtailment procedures.

III. NETWORK INTEGRATION TRANSMISSION SERVICE

34 Rates and Charges

The Network Customer shall pay the Transmission Provider for any Direct Assignment Facilities, Ancillary Services, and applicable study costs, consistent with Commission policy, along with the following:

34.1 Monthly Demand Charge:

The Network Customer shall pay a monthly Demand Charge specified in Attachment H-1, tab "Projected Attachment H," line 10 multiplied by the Network Customer's Monthly Network Load.

34.2 Determination of Network Customer's Monthly Network Load:

The Network Customer's monthly Network Load is its hourly load (including its designated Network Load not physically interconnected with the Transmission Provider under Section 31.3) coincident with the Transmission Provider's Monthly Transmission System Peak.

34.3 Determination of Transmission Provider's Monthly Transmission System Load:

The Transmission Provider's monthly Transmission System load is the Transmission Provider's Monthly Transmission System Peak minus the coincident peak usage of all Firm Point-To-Point Transmission Service customers pursuant to Part II of this Tariff plus the Reserved Capacity of all Firm Point-To-Point Transmission Service customers.

34.4 Redispatch Charge:

The Network Customer shall pay a Load Ratio Share of any redispatch costs allocated between the Network Customer and the Transmission Provider pursuant to Section 33. To the extent that the Transmission Provider incurs an obligation to the Network Customer for redispatch costs in accordance with Section 33, such amounts shall be credited against the Network Customer's bill for the applicable month.

34.5 Stranded Cost Recovery:

The Transmission Provider may seek to recover stranded costs from the Network Customer pursuant to this Tariff in accordance with the terms, conditions and procedures set forth in FERC Order No. 888. However, the Transmission Provider must separately file any proposal to recover stranded costs under Section 205 of the Federal Power Act.

III. NETWORK INTEGRATION TRANSMISSION SERVICE

35 Operating Arrangements

35.1 Operation under The Network Operating Agreement:

The Network Customer shall plan, construct, operate and maintain its facilities in accordance with Good Utility Practice and in conformance with the Network Operating Agreement.

35.2 Network Operating Agreement:

The terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Part III of the Tariff shall be specified in the Network Operating Agreement. The Network Operating Agreement shall provide for the Parties to (i) operate and maintain equipment necessary for integrating the Network Customer within the Transmission Provider's Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment), (ii) transfer data between the Transmission Provider and the Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside the Transmission Provider's Transmission System, interchange schedules, unit outputs for redispatch required under Section 33, voltage schedules, loss factors and other real time data), (iii) use software programs required for data links and constraint dispatching, (iv) exchange data on forecasted loads and resources necessary

for long-term planning, and (v) address any other technical and operational considerations required for implementation of Part III of the Tariff, including scheduling protocols. The Network Operating Agreement will recognize that the Network Customer shall either (i) operate as a Control Area under applicable guidelines of the Electric Reliability Organization (ERO) as described in 18 C.F.R. § 39.1, (ii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with the Transmission Provider, or (iii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with another entity, consistent with Good Utility Practice, which satisfies the applicable reliability guidelines of the ERO. The Transmission Provider shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services. The Network Operating Agreement is included in Attachment G.

35.3 Network Operating Committee:

A Network Operating Committee (Committee) shall be established to coordinate operating criteria for the Parties' respective responsibilities under the Network Operating Agreement. Each Network Customer shall be entitled to have at least one representative on the Committee. The Committee shall meet from time to time as need requires, but no less than once each calendar year.

SCHEDULE 1

Scheduling, System Control and Dispatch Service
And
EIM Administrative Service

This service is required to schedule the movement of power through, out of, within, or into a Control Area. This service can be provided only by the operator of the Control Area in which the transmission facilities used for transmission service are located. Scheduling, System Control and Dispatch Service is to be provided directly by the Transmission Provider (if the Transmission Provider is the Control Area operator) or indirectly by the Transmission Provider making arrangements with the Control Area operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Control Area operator. The charges for Scheduling, System Control and Dispatch Service are to be based on the rates described further below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The Transmission Customer will be allowed to use dynamic scheduling when it is feasible and reliable. Dynamic scheduling involves the arrangement for moving load or generation served within one Control Area such that the load or generation is recognized in the real-time control and dispatch of another Control Area. If a Transmission Customer requests that the Transmission Provider perform dynamic scheduling, the Transmission Provider will provide this service at negotiated rates, terms and conditions.

Such negotiated rates, terms and conditions will be subject to Commission approval. The Transmission Customer must secure adequate transmission arrangements to support this service.

The below language shall apply during such hours when the Transmission Provider is participating in the EIM.

This service recovers the administrative costs assessed by the CAISO as the MO of the EIM to the EPE EIM Entity in accordance with Sections 4.5.1.1.4, 4.5.1.3, 11.22.8, and 29.11(i) of the MO Tariff (EIM Administrative Costs). All Transmission Customers purchasing Long Term Firm Point-to-Point Transmission Service, Short-Term Firm Point-to-Point Transmission Service, Non-Firm Point-to-Point Transmission Service, or Network Integration Transmission Service from the Transmission Provider shall be required to acquire EIM Administrative Service from the Transmission Provider. EIM Administrative Costs assigned to the EPE EIM Entity shall be sub-allocated to Transmission Customers on the basis of Measured Demand for the time period in which the EIM Administrative Costs were incurred.

Transmission Customers Obligated to Acquire Scheduling, System Control and Dispatch Service:

All Transmission Customers purchasing Long-Term Firm Point-to-Point Transmission Service, Short-Term Firm Point-to-Point Transmission Service, Non-Firm Point-to-Point Transmission Service, or Network Integration Transmission Service from the Transmission Provider shall be required to acquire Scheduling, System Control and Dispatch Service from the Transmission Provider.

Charge for Scheduling, System Control and Dispatch Service:

All Transmission Customers required to acquire Scheduling, System Control and Dispatch Service shall pay a charge invoiced monthly for Scheduling, System Control and Dispatch Service equal to the amount set forth below. The rates on which such charges are determined shall be calculated on an annual basis using an annual Schedule 1 revenue requirement identified in Attachment H-1, tab "Projected Schedule 1," line 3. Annual updates to the Schedule 1 rates shall follow the procedures set forth in Attachment H-2.

1) For Yearly Service, the demand charge identified in Attachment H-1, tab "Projected Schedule 1," line 5 multiplied by either: (a) the amount of Reserved Capacity per year for Point-to-Point Transmission Service or (b) the Monthly Network Load calculated pursuant to Section 34.2 of the Tariff for Network Integration Transmission Service.
2) For Monthly Service, the demand charge identified in Attachment H-1, tab "Projected Schedule 1," line 6 multiplied by the amount of Reserved Capacity per month.
3) For Weekly Service, the demand charge identified in Attachment H-1, tab "Projected Schedule 1," line 7 multiplied by the amount of Reserved Capacity per week.
4) For Daily On-Peak Service, the demand charge identified in Attachment H-1, tab "Projected Schedule 1," line 8 multiplied by the amount of Reserved Capacity per day during on-peak periods.
5) For Daily Off-Peak Service, the demand charge identified in Attachment H-1, tab

"Projected Schedule 1," line 9 multiplied by the amount of Reserved Capacity per day during off-peak periods.

6) For Hourly On-Peak Service, the demand charge identified in Attachment H-1, tab "Projected Schedule 1," line 10 multiplied by the amount of Reserved Capacity per hour during on-peak periods.
7) For Hourly Off-Peak Service, the demand charge identified in Attachment H-1, tab "Projected Schedule 1," line 11 multiplied by the amount of Reserved Capacity per hour during off-peak periods.

The total charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the Daily Rate pursuant to this Schedule 1 times the highest amount in megawatts of Reserved Capacity in any hour during such day. In addition, the total charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the Weekly Rate pursuant to this Schedule 1 times the highest amount in megawatts of Reserved Capacity in any hour during such week.

SCHEDULE 2
Reactive Supply and Voltage Control from Generation or Other Sources Service

In order to maintain transmission voltages on the Transmission Provider's transmission facilities within acceptable limits, generation facilities and non-generation resources capable of providing this service that are under the control of the control area operator are operated to produce (or absorb) reactive power. Thus, Reactive Supply and Voltage Control from Generation or Other Sources Service must be provided for each transaction on the Transmission Provider's transmission facilities. The amount of Reactive Supply and Voltage Control from Generation or Other Sources Service that must be supplied with respect to the Transmission Customer's transaction will be determined based on the reactive power support necessary to maintain transmission voltages within limits that are generally accepted in the region and consistently adhered to by the Transmission Provider.

Reactive Supply and Voltage Control from Generation or Other Sources Service is to be provided directly by the Transmission Provider (if the Transmission Provider is the Control Area operator) or indirectly by the Transmission Provider making arrangements with the Control Area operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Control Area operator. The charges for such service will be based on the rates set forth below. However, such rates shall not include any charges associated with the compensation to a generating facility for the supply of reactive power within the power factor range specified in its interconnection agreement. To the extent

the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by the Control Area operator.

Rate per $/KW-Year:$0.528

Rate per $/KW-Month:$0.0440

Rate per $/KW-Week:$0.0102

Rate per $/KW-Day:$0.00145

Rate per $/KW-Hour:$0.00006

SCHEDULE 3

Regulation and Frequency Response Service

Regulation and Frequency Response Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled Interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) and by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with the Transmission Provider (or the Control Area operator that performs this function for the Transmission Provider). The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation. The Transmission Provider will take into account the speed and accuracy of regulation resources in its determination of Regulation and Frequency Response reserve requirements, including as it reviews whether a self-supplying Transmission Customer has made alternative comparable arrangements. Upon request by the self-supplying Transmission Customer, the Transmission Provider will share with the Transmission Customer its reasoning and any related data used to make the

determination of whether the Transmission Customer has made alternative comparable arrangements. The amount of and charges for Regulation and Frequency Response Service are set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

Rate per $/KW-Year:$37.20

Rate per $/KW-Month:$3.10

Rate per $/KW-Week:$0.72

Rate per $/KW-Day:$0.102

Rate per $/KW-Hour:$0.0042

A Transmission Customer purchasing Regulation and Frequency Response Service will be required to purchase an amount of reserved capacity equal to 0.87 percent of the Transmission Customer's reserved capacity for point-to-point transmission service or 0.87 percent of the Transmission Customer's network load responsibility for Network Integration Transmission Service. The billing determinants for this service shall be reduced by any portion of the 0.87 percent purchase obligation that a Transmission Customer obtains from third parties or supplies itself.

SCHEDULE 4

Energy Imbalance Service

This schedule 4 shall apply during such hours when the Transmission Provider is participating in the EIM and when the EIM has not been suspended. In accordance with Section 10 of Attachment P of this Tariff, Schedule 4A shall apply during such hours when the Transmission Provider is not participating in the EIM and when the EIM has been suspended.

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within a Control Area over a single hour. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. An Interconnection Customer, as defined in Attachment M or N of the Tariff, as applicable, must pay imbalance charges in accordance with this schedule. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Energy Imbalance Service obligation. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

A Transmission Customer shall be charged or paid for Energy Imbalance Service measured as the deviation of the Transmission Customer's metered load compared to the

load component of the Transmission Customer Base Schedule (as determined pursuant to Section 4.2.4 of Attachment P of this Tariff) settled as UIE for the period of the deviation at the applicable LAP price where the load is located, as determined by the MO under Section 29.11(b)(3)(c) of the MO Tariff.

SCHEDULE 4A

Energy Imbalance Service when EIM Suspended

In accordance with Section 10 of Attachment P of this Tariff, this Schedule 4A shall apply during such hours when the Transmission Provider is not participating in the EIM and when the EIM has been suspended, Schedule 4 shall apply during such hours when the Transmission Provider is participating in the EIM and when the EIM has not been suspended.

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within a Control Area over a single hour. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Energy Imbalance Service obligation. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator. The Transmission Provider may charge a Transmission Customer a penalty for either hourly energy imbalances under this Schedule or a penalty for hourly generator imbalances under Schedule 9 for imbalances occurring during the same hour, but not both unless the imbalances aggravate rather than offset each other.The Transmission Provider shall establish charges for energy imbalance based on the deviation bands as follows: (i) deviations within +/- 1.5 percent (with a

minimum of 2 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of the month, at 100 percent of incremental or decremental cost; (ii) deviations greater than +/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 110 percent of incremental cost or 90 percent of decremental cost, and (iii) deviations greater than +/- 7.5 percent (or 10 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 125 percent of incremental cost or 75 percent of decremental cost.

For purposes of this Schedule, incremental cost shall be the product of (i) the amount of power by which the Transmission Customer's load exceeds the scheduled energy and (ii) the average settled index price reported by the Intercontinental Exchange ("ICE") in the ICE Day Ahead Power Price Report for Palo Verde Peak ("PV Peak Index") and Palo Verde Off-Peak ("PV Off-Peak Index"), as applicable, for the hour in which Energy Imbalance Service is provided; and decremental cost shall be the product of (i) the amount of power by which the scheduled energy exceeds the Transmission Customer's load and (ii) the PV Peak Index or the PV Off-Peak Index, as applicable, for the hour in which Energy Imbalance Service is provided. In the event that Energy

Imbalance Service is provided during a time where no volumes are reported on the PV Peak Index and/or PV Off-Peak Index, the most recent firm on-peak and/or off-peak prices will be carried forward. If ICE permanently ceases to report the PV Peak and/or PV Off-Peak Index, or if the methodology used to determine the PV Peak and/or PV Off-Peak Index is materially modified, Transmission Provider shall select a permanent replacement index, reported by a reputable third party.

SCHEDULE 5

Operating Reserve - Spinning Reserve Service

Spinning Reserve Service is needed to serve load immediately in the event of a system contingency. Spinning Reserve Service may be provided by generating units that are on-line and loaded at less than maximum output and by non-generation resources capable of providing this service. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Spinning Reserve Service obligation. The amount of and charges for Spinning Reserve Service are set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

Rate per $/KW-Year:$37.20

Rate per $/KW-Month:$3.10

Rate per $/KW-Week:$0.72

Rate per $/KW-Day:$0.102

Rate per $/KW-Hour:$0.0042

A Transmission Customer purchasing Operating Reserve - Spinning Reserve Service will be required to purchase an amount of reserved capacity equal to 1.5 percent of the Transmission Customer's reserved capacity for point-to-point transmission service used

to serve load in the Transmission Provider's Control Area or, for Transmission Customers whose load within the Transmission Provider's Control Area is identified as Network Load, 1.5 percent of the Transmission Customer's network load responsibility for Network Integration Transmission Service. Transmission Customers with generating resources located within the Transmission Provider's Control Area, or generation which the Transmission Provider has agreed to provide Contingency Reserve responsibility through dynamic signal, will also be required to purchase an amount equal to 1.5 percent of the capacity of the specified generating resource identified as the source in the Transmission Customer's transmission schedule, unless another Control Area operator has agreed to carry the Contingency Reserve responsibility, through dynamic signal, for the generation resource. The billing determinants for this service shall be reduced by any portion of the obligation that a Transmission Customer obtains from third parties or supplies itself.

SCHEDULE 6

Operating Reserve - Supplemental Reserve Service

Supplemental Reserve Service is needed to serve load in the event of a system contingency; however, it is not available immediately to serve load but rather within a short period of time. Supplemental Reserve Service may be provided by generating units that are on-line but unloaded, by quick-start generation or by interruptible load or other non-generation resources capable of providing this service. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation. The amount of and charges for Supplemental Reserve Service are set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

Rate per $/KW-Year:$37.20

Rate per $/KW-Month:$3.10

Rate per $/KW-Week:$0.72

Rate per $/KW-Day:$0.102

Rate per $/KW-Hour:$0.0042

A Transmission Customer purchasing Supplemental Reserve Service will be required to purchase an amount of reserved capacity equal to 1.5 percent of the Transmission Customer's reserved capacity for point-to-point transmission service used to serve load in the Transmission Provider’s Control Area or, for Transmission Customers whose load within the Transmission Provider’s Control Area is identified as Network Load, 1.5 percent of the Transmission Customer's network load responsibility for Network Integration Transmission Service. Transmission Customers with generating resources located within the Transmission Provider’s Control Area, or generation which the Transmission Provider has agreed to provide Contingency Reserve responsibility through dynamic signal, will also be required to purchase an amount equal to 1.5 percent of the capacity of the specified generating resource identified as the source in the Transmission Customer’s transmission schedule, unless another Control Area operator has agreed to carry the Contingency Reserve responsibility, through dynamic signal, for the generation resource. The billing determinants for this service shall be reduced by any portion of the purchase obligation that a Transmission Customer obtains from third parties or supplies itself.

SCHEDULE 7

Long-Term Firm and Short-Term Firm Point-To-Point Transmission Service

A.

The following rates apply to Firm Point-To-Point Transmission Service between any Point of Receipt and any Point of Delivery on the Transmission System within Transmission Provider's Control Area. These same rates apply to Firm Point-to-Point Transmission Service between any Point of Receipt and any Point of Delivery on the Transmission Provider's Palo Verde Facilities, except as provided in Section C. In addition, the terms and conditions set forth in Section B of this Schedule 7 apply to services in this Section A.

The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth below:

1) Yearly delivery: the Annual Demand Charge multiplied by the amount of Reserved Capacity per year. The Annual Demand Charge for a calendar year is identified in Attachment H-1, tab "Projected Attachment H," line 9.

2) Monthly delivery: the demand charge identified in Attachment H-1, tab "Projected Attachment H," line 10 multiplied by the amount of Reserved Capacity per month.

3) Weekly delivery: the demand charge identified in Attachment H-1, tab "Projected Attachment H," line 11 multiplied by the amount of Reserved Capacity per week.

4) Daily delivery: On-peak, the demand charge identified in Attachment H-1, tab

"Projected Attachment H," line 12 multiplied by the amount of Reserved Capacity per day during on-peak periods. Off-peak, the demand charge identified in Attachment H-1, tab "Projected Attachment H," line 13 multiplied by the amount of Reserved Capacity per day during off-peak periods. The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section A(3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

5) Hourly delivery: On-peak, the demand charge identified in Attachment H-1, tab "Projected Attachment H," line 14 multiplied by the Reserved Capacity per hour during on-peak periods. Off-peak, the demand charge in Attachment H-1, tab "Projected Attachment H," line 15 multiplied by the Reserved Capacity per hour during off-peak periods. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section A(4) times the highest amount in kilowatts of Reserved Capacity in any hour during such day.

B. Terms and Conditions Applicable to Section A of this Schedule 7

1) Ancillary Services: If applicable, provided pursuant to Schedules 1 through 6 and 9 of this Tariff.

2) Direct Assignment Facilities Charges: If applicable.

3) Real Power Losses: Provided pursuant to Schedule 10 of this Tariff.

4) Peak/Off-Peak Periods: For hourly service, the on-peak period extends from hour ending (HE) 0700 through HE 2200, Daylight Saving Time, at the location where

service is provided, at such times when Daylight Saving Time is the prevailing time, and extends from HE 0800 through HE 2300, Standard Time, at the location where service is provided, at such times when Standard Time is the prevailing time, in each case Monday through Saturday, exclusive of NERC holidays. All other hours are off-peak periods for the purpose of determining hourly service rates. For daily service, on-peak periods are Monday through Saturday, exclusive of NERC holidays. Off-peak daily rates apply on Sundays and NERC holidays.

5) Discounts: Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

6) Resales: The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by section 23.1 of the Tariff.

C. Stay Period Under Docket No. ER22-282-000 Settlement

Pursuant to a settlement agreement in Docket No. ER22-282-000, the assessment of fully rolled-in rates identified in Section A for Firm Point-to-Point Transmission Service at Points of Receipt and Delivery on the Palo Verde Facilities is subject to a stay of limited duration. The stay period for Long-Term Firm Point-to-Point Transmission Service on the Palo Verde Facilities runs from January 1, 2023 through December 31, 2025 ("LTF Stay Period"). The stay period for Short-Term Firm Point-to-Point Transmission Service on the Palo Verde Facilities runs from January 1, 2024 through December 31, 2026 ("STF Stay Period").

1) **Long-Term Firm Point-to-Point Transmission Service**. During the LTF Stay Period, EPE will charge stated rates for Long-Term Firm Point-to-Point Transmission Service on the Palo Verde Facilities as follows:

   - $ 8,000/MW-year on the Palo Verde-Westwing facilities for those customers with Long-Term Firm Point-to-Point Transmission Service agreements with Points of Receipt and Delivery on the Palo Verde-Westwing facilities in effect on December 31, 2021
   - $ 19,275/MW-year on the Palo Verde-Jojoba-Kyrene facilities for those customers with Long-Term Firm Point-to-Point Transmission Service agreements with Points of Receipt and Delivery on the Palo Verde-Jojoba-Kyrene facilities in effect on December 31, 2021

These stated rates on the Palo Verde Facilities for Long-Term Firm Point-to-Point Transmission Service expire on December 31, 2025, after which the full rolled-in formula rate will apply.

a) If a Long-Term Firm Point-to-Point Transmission Service customer redirects service to/from a secondary point during the LTF Stay Period, EPE will charge the customer for service to/from the secondary point at the higher of the incremental (stated) rate applicable under its Long-Term Firm Point-to-Point Transmission Service agreement or the rolled-in formula rate.

b) If a Long-Term Firm Point-to-Point Transmission Service customer reassigns its service agreement or any of the capacity thereunder during the LTF Stay Period, EPE will charge the rolled-in formula rate to the customer to which the agreement or capacity has been assigned.

c) If a Long-Term Firm Point-to-Point Transmission Service customer rolls over a transmission service agreement during the LTF Stay Period, service under the rolled-over transmission service agreement will be charged the stated rate above for the remainder of the LTF Stay Period, after which time the rolled-in formula rate will apply, subject to the provisions above governing service at secondary points and reassignments.

d) All Long-Term Firm Point-to-Point Transmission Service agreements commencing January 1, 2022 or later, other than rollovers of prior Long-Term Firm Point-to-Point Transmission Service during the LTF Stay Period but including transmission service agreements for new Long-Term Firm

Point-to-Point Transmission Service provided by EPE on the Palo Verde Facilities, will be charged the rolled-in formula rate.

2) **Short-Term Firm Point-to-Point Transmission Services**. The temporary stay in rolled-in rates for Short-Term Firm Point-to-Point Transmission Service under the settlement applies only to service from Points of Receipt on the Palo Verde-Westwing facilities to Points of Delivery on the Palo Verde-Westwing facilities. During the STF Stay Period, EPE will provide rate relief in the form of the following rates for transmission service customers that take Short-Term Firm Point-to-Point Transmission Service and/or Non-Firm Point-to-Point Transmission Service on the Palo Verde-Westwing lines at levels at or above 350,000 megawatt-hours ("MWh") annually on that path.

$666.670/MW-month
$153.850/MW-week
$25.642/MW-day On-Peak
$21.979/MW-day Off-Peak
$1.603/MW-hour On-Peak
$0.916/MW-hour Off-Peak

Such rate relief will be applied prospectively in each calendar year of the STF Stay Period, based upon the customer's levels of service in the prior year, as follows:

a) Eligibility for the volume rate relief on the Palo Verde-Westwing lines will be determined based on the level of Short-Term Firm Point-to-Point Transmission Service and/or Non-Firm Point-to-Point Transmission Service taken by a

particular customer on the Palo Verde-Westwing lines during the prior year, measured on a MWh basis. Customers that do not meet the eligibility criteria will be charged for Short-Term Point-to-Point Transmission Service on the Palo Verde-Westwing lines at the full rolled-in formula rate. Customers will be charged for Short-Term Firm Point-to-Point Transmission Service customers on the Palo Verde-Jojoba-Kyrene line at the full rolled-in formula rate.

b) Eligibility for the rate relief on the Palo Verde-Westwing lines will be determined for each calendar year in year-end evaluations performed at the end of years 2023, 2024 and 2025 to determine the rate relief to be provided in years 2024, 2025 and 2026.

c) For customers taking Short-Term Firm Point-to-Point Transmission Service on the Palo Verde-Jojoba-Kyrene line or on both the Palo Verde-Jojoba-Kyrene and the Palo Verde-Westwing lines, the rolled-in formula rate will be charged.

d) The stated rates on the Palo Verde-Westwing lines for Short-Term Firm Point-to-Point Transmission Services expire on December 31, 2026, after which the full rolled-in formula rate will apply.

3) Charges for Ancillary Services provided pursuant to Schedules 1 through 6 and 9 of this Tariff, as applicable, and Real Power Losses provided pursuant to Section 10 of this Tariff, apply during the LTF and STF Stay Periods.

SCHEDULE 8

Non-Firm Point-To-Point Transmission Service

The following rates apply to Non-Firm Point-To-Point Transmission Service between any Point of Receipt and any Point of Delivery on the Transmission System within Transmission Provider's Control Area. These same rates apply to Non-Firm Point-to-Point Transmission Service between any Point of Receipt and any Point of Delivery on the Transmission Provider's Palo Verde Facilities, except as provided in Section B with respect to Non-Firm Point-To-Point Transmission Service on certain of the Palo Verde Facilities.

The Transmission Customer shall compensate the Transmission Provider for Non-Firm Point-To-Point Transmission Service at the sum of the applicable charges set forth below:

1) Monthly delivery: the demand charge identified in Attachment H-1, tab "Projected Attachment H," line 10 multiplied by the amount of Reserved Capacity per month.

2) Weekly delivery: the demand charge identified in Attachment H-1, tab "Projected Attachment H," line 11 multiplied by the amount of Reserved Capacity per week.

3) Daily delivery: On-peak, the demand charge identified in Attachment H-1, tab "Projected Attachment H," line 12 multiplied by the amount of Reserved Capacity per day during on-peak periods. Off-peak, the demand charge identified in Attachment H-1, tab "Projected Attachment H," line 13 multiplied by the amount of Reserved Capacity per day during off-peak periods. The total demand charge in any week, pursuant to a

reservation for Daily delivery, shall not exceed the rate specified in section A(2) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

4) Hourly delivery: On-peak, the demand charge identified in Attachment H-1, tab "Projected Attachment H," line 14 multiplied by the amount of Reserved Capacity per hour during on-peak periods. Off-peak, the demand charge identified in Attachment H-1, tab "Projected Attachment H," line 15 multiplied by the amount of Reserved Capacity per hour during off-peak periods. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section A(3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section A(2) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.

A. Terms and Conditions Applicable to Section A of this Schedule 8

1) Ancillary Services: If applicable, provided pursuant to Schedules 1 through 6 and 9 of this Tariff.

2) Direct Assignment Facilities Charges: If applicable.

3) Real Power Losses: Provided pursuant to Schedule 10 of this Tariff.

4) Peak/Off-Peak Periods: For hourly service, the on-peak period extends from hour ending (HE) 0700 through HE 2200, Daylight Saving Time, at the location where service is provided, at such times when Daylight Saving Time is the prevailing time, and extends from HE 0800 through HE 2300, Standard Time, at the location

where service is provided, at such times when Standard Time is the prevailing time, in each case Monday through Saturday, exclusive of NERC holidays. All other hours are off-peak periods for the purpose of determining hourly service rates. For daily service, on-peak periods are Monday through Saturday, exclusive of NERC holidays. Off-peak daily rates apply on Sundays and NERC holidays.

5) Discounts: Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

6) Resales: The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by section 23.1 of the Tariff.

B. Stay Period Under Docket No. ER22-282-000 Settlement

Pursuant to a settlement agreement in Docket No. ER22-282-000, the assessment of fully rolled-in rates identified in Section A for Non-Firm Point-to-Point Transmission Service is subject to a stay of limited duration. The temporary stay in rolled-in rates for Non-Firm Point-to-Point Transmission Service under the settlement applies only to service from Points of Receipt on the Palo Verde-Westwing facilities to Points of Delivery on the Palo Verde-Westwing facilities. The stay period for Non-Firm Point-to-Point Transmission Service on the Palo Verde-Westwing facilities runs from January 1, 2024 through December 31, 2026 ("NF Stay Period").

1) During the NF Stay Period, EPE will provide rate relief in the form of the following rates for Non-Firm Point-to-Point Transmission Service customers that take Short-Term Firm Point-to-Point Transmission Service on the Palo Verde-Westwing lines and/or Non-Firm Point-to-Point Transmission Service on the Palo Verde-Westwing lines at levels at or above 350,000 megawatt-hours ("MWh") annually on that path.

$666.670/MW-month
$153.850/MW-week
$25.642/MW-day On-Peak
$21.979/MW-day Off-Peak
$1.603/MW-hour On-Peak
$0.916/MW-hour Off-Peak

Such rate relief will be applied prospectively in each calendar year of the NF Stay Period, based upon the customer's levels of service in the prior year, as follows:

a) Eligibility for the volume rate relief on the Palo Verde-Westwing lines will be determined based on the level of Short-Term Firm Point-to-Point Transmission Service and/or Non-Firm Point-to-Point Transmission Service taken by a particular customer on the Palo Verde-Westwing lines during the prior year, measured on a MWh basis. Customers that do not meet the eligibility criteria will be charged for Non-Firm Point-to-Point Transmission Service on the Palo Verde-Westwing lines at the full rolled-in formula rate. Customers will be charged for Non-Firm Point-to-Point Transmission Service on the Palo Verde-Jojoba-Kyrene line at the full rolled-in formula rate.

b) Eligibility for the rate relief on the Palo Verde-Westwing lines will be determined for each calendar year in year-end evaluations performed at the end of years 2023, 2024 and 2025 to determine the rate relief to be provided in years 2024, 2025 and 2026.

c) For customers taking Non-Firm Point-to-Point Transmission Service on the Palo Verde-Jojoba-Kyrene line or on both the Palo Verde-Jojoba-Kyrene and the Palo Verde-Westwing lines, the rolled-in formula rate will be charged.

d) The stated rates on the Palo Verde-Westwing lines for Non-Firm Point-to-Point Transmission Services expire on December 31, 2026, after which the full rolled-in formula rates will apply.

2) Charges for Ancillary Services provided pursuant to Schedules 1 through 6 and 9 of this Tariff, as applicable, and Real Power Losses provided pursuant to Section 10 of this Tariff, apply during the NF Stay Period.

SCHEDULE 9

Generator Imbalance Service

This Schedule 9 shall apply during such hours when the Transmission Provider is participating in the EIM and when the EIM has not been suspended. In accordance with Section 9 of Attachment P of this Tariff, Schedule 9A shall apply during such hours when the Transmission Provider is not participating in the EIM and when the EIM has been suspended.

Generator Imbalance Service is provided when a difference occurs between the output of a generator located in the Transmission Provider's Control Area that is not an EPE EIM Participating Resource and the resource component of the Transmission Customer Base Schedule from that generator to (1) another Control Area or (2) a load within the Transmission Provider's Control Area over a single hour. The Transmission Provider must offer this service, to the extent it is physically feasible to do so from its resources or from resources available to it, when Transmission Service is used to deliver energy from a generator located within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Generator Imbalance Service obligation. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area Operator.

The Transmission Provider shall establish charges for Generator Imbalance

Service as follows (the following provisions do not apply to Transmission Customers which have received a Manual Dispatch or EIM Available Balancing Capacity dispatch or which have communicated physical changes in the output of resources to the MO):

A Transmission Customer shall be charged or paid for Generator Imbalance Service measured as the deviation of the Transmission Customer's metered generation compared to the resource component of the Transmission Customer Base Schedule settled as UIE by the MO for the period of the deviation at the applicable PNode RTD price where the generator is located, as determined by the MO under Section 29.11(b)(3)(B) of the MO Tariff.

The following provisions shall apply to Transmission Customers which have received a Manual Dispatch or EIM Available Balancing Capacity dispatch, or which have communicated physical changes in the output of resources to the MO or for other reasons imbalance energy is calculated by the MO:

(1)

a. A Transmission Customer shall be charged or paid for Generator Imbalance Service measured as the deviation of the Transmission Customer's metered generation compared to the Manual Dispatch amount, the EIM Available Balancing Capacity dispatch amount, or physical changes in the output of resources incorporated by the MO in the FMM or for other instructions by the MO, as UIE calculated by the MO for the period of the deviation at the applicable PNode RTD price where the generator is located, as determined by the MO under Section 29.11(b)(3)(B) of the MO Tariff; or

b. A Transmission Customer shall be charged or paid for Generator Imbalance Service measured as the deviation of the Transmission Customer's metered generation compared to the Manual Dispatch amount, the EIM Available Balancing Capacity dispatch amount, or physical changes in the output of resources incorporated by the MO in RTD or for other instructions by the MO, as UIE calculated by the MO for the period of the deviation at the applicable PNode RTD price where the generator is located, as determined by the MO under Section 29.11(b)(3)(B) of the MO Tariff; and

(2)

a. A Transmission Customer shall be charged or paid for Generator Imbalance Service measured as the deviation of either the Manual Dispatch amount, the EIM Available Balancing Capacity dispatch amount, or physical changes in the output of resources incorporated by the MO in the FMM or for other instructions by the MO, compared to the resource component of the Transmission Customer Base Schedule, as IIE calculated by the MO for the period of the deviation at the applicable PNode FMM price where the generator is located, as determined by the MO under Section 29.11(b)(1)(A)(ii) of the MO Tariff; or

b. Generator Imbalance Service measured as the deviation of either the Manual Dispatch amount, the EIM Available Balancing Capacity dispatch amount, or physical changes in the output of resources incorporated by the MO in RTD or for other instructions by the MO, compared to the FMM

schedule, as IIE calculated by the MO for the period of the deviation at the applicable PNode RTD price where the generator is located, as determined by the MO under Section 29.11(b)(2)(A)(ii) of the MO Tariff.

Applicability to Interconnection Customers: To the extent the Interconnection Customer is a different entity than the Transmission Customer and controls the output of a generator located in the Transmission Provider's Control Area, the Interconnection Customer may be subject to charges for Generator Imbalance Service (rather than the Transmission Customer) in accordance with this Schedule 9.

SCHEDULE 9A

Generator Imbalance Service when EIM Suspended

In accordance with Section 10 of Attachment P of this Tariff, this Schedule 9A shall apply during such hours when the Transmission Provider is not participating in the EIM and when the EIM has been suspended. Schedule 9 shall apply during such hours when the Transmission Provider is participating in the EIM and when the EIM has not been suspended.

Generator Imbalance Service is provided when a difference occurs between the output of a generator located in the Transmission Provider's Control Area and a delivery schedule from that generator to (1) another Control Area or (2) a load within the Transmission Provider's Control Area over a single hour. The Transmission Provider must offer this service, to the extent it is physically feasible to do so from its resources or from resources available to it, when Transmission Service is used to deliver energy from a generator located within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Generator Imbalance Service obligation. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area Operator. The Transmission Provider may charge a Transmission Customer a penalty for either hourly generator imbalances under this Schedule or a penalty for hourly energy imbalances under Schedule 4 for imbalances

occurring during the same hour, but not both unless the imbalances aggravate rather than offset each other.

The Transmission Provider shall establish charges for generator imbalance based on the deviation bands as follows: (i) deviations within +/- 1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of each month, at 100 percent of incremental or decremental cost, (ii) deviations greater than +/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 110 percent of incremental cost or 90 percent of decremental cost, and (iii) deviations greater than +/- 7.5 percent (or 10 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled at 125 percent of incremental cost or 75 percent of decremental cost, except that an intermittent resource will be exempt from this deviation band and will pay the deviation band charges for all deviations greater than the larger of 1.5 percent or 2 MW. An intermittent resource, for the limited purpose of this Schedule is an electric generator that is not dispatchable and cannot store its fuel source and therefore cannot respond to changes in system demand or respond to transmission security constraints.

Notwithstanding the foregoing, deviations from scheduled transactions in order to respond to directives by the Transmission Provider, a balancing authority, or a reliability coordinator shall not be subject to the deviation bands identified above and, instead, shall be settled financially, at the end of the month, at 100 percent of incremental and decremental cost. Such directives may include instructions to correct frequency decay, respond to a reserve sharing event, or change output to relieve congestion.

For purposes of this Schedule, incremental cost shall be the product of (i) the amount by which the delivery schedule from the generator exceeds the output of that generator and (ii) the average settled index price reported by the Intercontinental Exchange ("ICE") in the ICE Day Ahead Power Price Report for Palo Verde Peak ("PV Peak Index") and Palo Verde Off-Peak ("PV Off-Peak Index"), as applicable, for the hour in which Generator Imbalance Service is provided; and decremental cost shall be the product of (i) the amount of power by which the output of the generator exceeds the delivery schedule from the generator and (ii) the PV Peak Index or the PV Off-Peak Index, as applicable, for the hour in which Generator Imbalance Service is provided. In the event that Generator Imbalance Service is provided during a time where no volumes are reported on the PV Peak and/or PV Off-Peak Index, the most recent firm on-peak and/or off-peak prices will be carried forward. If ICE permanently ceases to report the PV Peak and/or PV Off-Peak Index, or if the methodology used to determine the index at the PV Peak and/or PV Off-Peak Index is materially modified, Transmission Provider shall select a permanent replacement index, reported by a reputable third party.

SCHEDULE 10

Real Power Losses

The Transmission Customer taking Network Integration Transmission Service, Firm Point-to-Point, or Non-Firm Point-to-Point Transmission Service, excluding Energy Imbalance Service and Generator Imbalance Service, shall reimburse the Transmission Provider for Real Power Losses as provided in this Tariff. The Transmission Customer must financially settle for Real Power Losses by reimbursement as specified herein. The procedures to determine the amount of Real Power Losses associated with a Transmission Customer's Base Schedule, as well as the reimbursement for Real Power Losses, are set forth below:

The amount of Real Power Losses assessed to a Transmission Customer in a given hour shall be the product of such Transmission Customer Base Schedule during the hour in MWhs and the applicable loss factor provided in this Schedule 10. The Transmission Customer shall compensate the Transmission Provider at a rate equal to the amount of Real Power Losses assessed to such Transmission Customer in a given hour multiplied by the hourly LAP price for the EPE BAA in that hour as established by the MO under section 29.11 (b)(3)(C) of the MO Tariff, except that with respect to transmission services provided on paths external to the EPE BAA, the Transmission Customer shall compensate the Transmission Provider at a rate equal to the rate assessed by the operator pursuant to the ANPP Valley Transmission System Agreement. Transmission Provider shall post the compensation methodology for losses on the ANPP Valley Transmission

System on its OASIS system.

Real Power Loss Factors:

1) **Point-to-Point Transmission Service on External Transmission Paths:** For the following transmission paths, the Real Power Loss factors will be the same as the hourly loss factors Transmission Provider is charged by the applicable transmission owner or operator pursuant to the ANPP Valley Transmission System Agreement. The Points of Receipt and Points of Delivery served by the Transmission Provider on the ANPP Valley Transmission System are as follows: PALOVERDE500, WESTWING500, KYRENE500, and JOJOBA500.

2) **Point-to-Point Transmission Service on Internal Transmission Paths:** For both non-recallable (firm) and recallable (non-firm) Point to Point Transmission Service on transmission paths internal to the Transmission Provider's BAA, the Real Power Loss factor will be based on the Transmission Provider's average system losses of 2.374 percent.

3) **Network Integration Transmission Service:** For Network Integration Transmission Service, the Real Power Loss factors will be 2.374 percent.

SCHEDULE 11

Incorporation by Reference

Pursuant to FERC Order No. 676-H, the following standards of the North American Energy Standards Board ("NAESB") Wholesale Electric Quadrant ("WEQ") shall apply to transmission service rendered pursuant to this FERC Electric Tariff:

- The current versions of the NAESB WEQ Business Practice Standards incorporated by reference into the Commission's regulations as specified in Part 38 of the Commission's regulations (18 CFR Part 38) are incorporated by reference into this tariff.

ATTACHMENT A

Form Of Service Agreement For
Firm Point-To-Point Transmission Service

1.0 This Service Agreement, dated as of _____, is entered into, by and between _____ (the Transmission Provider), and _____ ("Transmission Customer").

2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Firm Point-To-Point Transmission Service under the Tariff.

3.0 The Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Section 17.3 of the Tariff.

4.0 Service under this agreement shall commence on the later of (l) the requested service commencement date, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on such date as mutually agreed upon by the parties.

5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.

6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

_____

_____

_____

Transmission Customer:

_____

_____

_____

7.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: _____ _____ _____
Name Title Date

Transmission Customer:

By: _____ _____ _____
Name Title Date

Specifications For Long-Term Firm Point-To-Point Transmission Service

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.

_____

3.0 Point(s) of Receipt:_____

Delivering Party:_____

4.0 Point(s) of Delivery:_____

Receiving Party:_____

5.0 Maximum amount of capacity and energy to be transmitted (Reserved Capacity): _____

6.0 Designation of party(ies) subject to reciprocal service obligation:

_____
_____
_____
_____

7.0 Name(s) of any Intervening Systems providing transmission service:_____
_____

8.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

8.1 Transmission Charge:_____
_____

8.2 System Impact and/or Facilities Study Charge(s):
_____
_____

8.3 Direct Assignment Facilities Charge:_____
_____

8.4 Ancillary Services Charges: _____
_____
_____
_____
_____
_____
_____

ATTACHMENT A-1

Form Of Service Agreement For
The Resale, Reassignment Or Transfer Of
Point-To-Point Transmission Service

1.0 This Service Agreement, dated as of _____, is entered into, by and between _____ (the Transmission Provider), and _____ (the Assignee).

2.0 The Assignee has been determined by the Transmission Provider to be an Eligible Customer under the Tariff pursuant to which the transmission service rights to be transferred were originally obtained.

3.0 The terms and conditions for the transaction entered into under this Service Agreement shall be subject to the terms and conditions of Part II of the Transmission Provider's Tariff, except for those terms and conditions negotiated by the Reseller of the reassigned transmission capacity (pursuant to Section 23.1 of this Tariff) and the Assignee, to include: contract effective and termination dates, the amount of reassigned capacity or energy, point(s) of receipt and delivery. Changes by the Assignee to the Reseller's Points of Receipt and Points of Delivery will be subject to the provisions of Section 23.2 of this Tariff.

4.0 The Transmission Provider shall credit the Reseller for the price reflected in the Assignee's Service Agreement or the associated OASIS schedule.

5.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

_____

_____

_____

Assignee:

_____

_____

_____

6.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By:_____ _____ _____

Name Title Date

Assignee:

By:_____ _____ _____

Name Title Date

Specifications For The Resale, Reassignment Or Transfer of
Point-To-Point Transmission Service

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.

_____

3.0 Point(s) of Receipt:_____

Delivering Party:_____

4.0 Point(s) of Delivery:_____

Receiving Party:_____

5.0 Maximum amount of reassigned capacity: _____

6.0 Designation of party(ies) subject to reciprocal service obligation:_____
_____
_____
_____

7.0 Name(s) of any Intervening Systems providing transmission service:_____
_____
_____

8.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

8.1 Transmission Charge:_____
_____

8.2 System Impact and/or Facilities Study Charge(s):
_____
_____

8.3 Direct Assignment Facilities Charge:_____
_____

8.4 Ancillary Services Charges: _____
_____
_____
_____
_____
_____
_____

9.0 Name of Reseller of the reassigned transmission capacity:
_____

ATTACHMENT B

Form Of Service Agreement For Non-Firm Point-To-Point Transmission Service

1.0 This Service Agreement, dated as of _____, is entered into, by and between _____ (the Transmission Provider), and _____ (Transmission Customer).

2.0 The Transmission Customer has been determined by the Transmission Provider to be a Transmission Customer under Part II of the Tariff and has filed a Completed Application for Non-Firm Point-To-Point Transmission Service in accordance with Section 18.2 of the Tariff.

3.0 Service under this Agreement shall be provided by the Transmission Provider upon request by an authorized representative of the Transmission Customer.

4.0 The Transmission Customer agrees to supply information the Transmission Provider deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.

5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Non-Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.

6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

_____

_____

_____

Transmission Customer:

_____

_____

_____

7.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: _____ _____ _____
Name Title Date

Transmission Customer:

By: _____ _____ _____
Name Title Date

ATTACHMENT C

Methodology To Assess Available Transfer Capability

Introduction

The following sets forth the general principles pursuant to which the Transmission Provider determines Total Transfer Capability ("TTC") and Available Transfer Capability ("ATC") on its system. A more detailed description can be found in the document entitled "Principles, Practices and Methods for the Determination of Available Transfer Capability for El Paso Electric Company" which is available on the Transmission Provider's website at www.epelectric.com, "Transmission," "Document," which also can be accessed through the Transmission Provider's OASIS in the folder "ATC Information."

Transmission System

The Transmission Provider's transmission system consists of facilities located in the States of Texas and New Mexico, that are within the balancing authority of the Transmission Provider, and facilities located in the State of Arizona that are not connected to the remainder of the system and are within the balancing authority of Salt River Project ("SRP").

The facilities in the Texas/New Mexico region include an HVDC interconnection to Southwestern Public Service Company ("SPS") and ownership in certain lines that are part of a Western Electricity Coordinating Council ("WECC") defined, rated path, Path 47. (Portions of Path 47 are owned by Public Service Company of New Mexico ("PNM") and Tri-State Generation and Transmission Association, Inc. The Transmission Provider's rights in Path 47 are defined by contract.) In addition, the Transmission Provider maintains an interconnection with Comisión Federal de Electricidad ("CFE") pursuant to a Presidential Permit. The Transmission Provider operates within WECC, which is not synchronized with the transmission systems of SPS and CFE.

In Arizona, the Transmission Provider is an owner in the 500 kV transmission system from the Palo Verde Nuclear Generating Station ("PVNGS") to the Westwing and Jojoba/Kyrene Switchyards, known as the Palo Verde East system. The Palo Verde East transmission system is also owned by SRP, Arizona Public Service Company and PNM and is operated by SRP.

Definition of TTC and ATC

The Transmission Provider uses the contract path methodology that is common to the Western Interconnection in the determination of TTC and ATC in its system for both the operating and planning horizons. Due to the large number of possible transmission paths on the Transmission Provider's system, the Transmission Provider determines the

TTC and ATC for various transmission segments. These segments, when combined, form transmission paths into, through, and out of the Transmission Provider's transmission system.

TTC is defined by the North American Electric Reliability Corporation ("NERC") and FERC's Order No. 890 as "the amount of electric power that can be moved or transferred reliably from one area to another area of the interconnected transmission systems by way of all transmission lines (or paths) between those areas under specified system conditions." WECC further defines this as "the amount of electric power that can be transferred over the interconnected transmission network in a reliable manner while meeting all of a specific set of defined pre- and post-contingency system conditions."

ATC, as further described below, is defined by NERC as:

> A measure of the transfer capability remaining in the physical transmission network for further commercial activity over and above already committed uses. It is defined as Total Transfer Capability less existing transmission commitments (including retail customer service), less a Capacity Benefit Margin, less a Transmission Reliability Margin.

Thus, in order to determine the ATC for each path, TTC must first be calculated.

Methodology for the Determination of TTC and ATC

The TTC for the Transmission Provider's facilities located in Arizona is determined by SRP, with the review and approval of the other owners. The Transmission Provider is responsible for establishing TTC for the southern New Mexico/Texas facilities. On transfer paths connecting to neighboring entities, the Transmission Provider will coordinate the determination of TTC with those entities through shared and/or joint studies.

The technical methodology for determining the TTC and ATC for the Transmission Provider's transmission path first involves determining the TTC and ATC of the transmission segments which make up the path. Each transmission segment will have a TTC and ATC associated with it. To determine the TTC and ATC of the entire path, those values must be reviewed for each segment and the minimum value of the segments that make up a path will be the TTC and ATC for that path.

Calculation of and Assumptions for TTC

In order to determine TTC, the Transmission Provider uses GE PSLF powerflow and stability programs using system modeling databases obtained through WECC. These databases are filed with the WECC's FERC Form No. 715 or use databases that are derived from those filed with the Form No. 715. As necessary (depending on the path to

be analyzed), the Transmission Provider will utilize WECC models that have been modified to provide a more detailed representation of the southern New Mexico/Texas transmission system than the WECC power flow models. The path TTC that is based on reliability is determined by the most limiting element or segment in that path. Other paths have TTC that is limited by contractual agreements.

For TTC that is determined by technical studies, the TTC is based upon system conditions where all lines are initially in-service, including all voltage controlling equipment. System conditions affecting TTC, including load levels and generation resource configurations typical for the posting period, e.g., heavy summer period, are used to define study conditions. Generation resources internal to the Transmission Provider's balancing area authority may be re-dispatched to provide maximum TTC. Single contingency outages (N-1) are then applied iteratively while varying load and generation levels to determine the maximum amount of power that may be transferred across a particular path while complying with NERC and WECC reliability standards. TTC adjustments are made for forced and planned maintenance outages. The maximum amount of power that can be transferred across the segment under specified contingencies is considered as that segment's TTC. The various path TTCs are then determined by the TTCs of the segments composing that path.

In the determination of TTC for the transmission paths in the southern New Mexico/Texas area, the Transmission Provider utilizes the WECC and NERC standards and criteria for transmission element loading, reactive capability margins and stability margins. The Transmission Provider utilizes the same WECC power flow and stability models and WECC and NERC standards and criteria to determine the TTC for the southern New Mexico/Texas transmission system in the planning horizon, the scheduling horizon and the operating horizon. In addition, the Transmission Provider will adapt its methods for modeling load, generation dispatch and transmission reservations to those required by NERC MOD-001. Further explanation of the TTC for each transmission segment, including specification of the contractual limitation for each path, if any, is given in the document entitled "Principles, Practices and Methods for the Determination of Available Transfer Capability for El Paso Electric Company" which is available on the Transmission Provider's website at www.epelectric.com, "Transmission," "Document," which also can be accessed through the Transmission Provider's OASIS in the folder "ATC Information."

Definition and Calculation Methodology of Existing Transmission Commitments

Existing Transmission Commitments ("ETC") are the committed uses of the transmission system, defined by FERC as "including (1) native load commitments (including network service), (2) grandfathered transmission rights, (3) appropriate point-to-point reservations, (4) rollover rights associated with long-term firm service, and (5) other uses identified through the NERC process." When determining firm ATC, the Transmission Provider considers only those ETCs that are firm commitments. For non-firm ATC, firm and non-firm ETCs, postbacks of redirected services, unscheduled

service and counterflows are considered.

The Transmission Provider accounts for transmission capacity set aside for native load based upon the Network Resources allocated to serve the native load which uses those paths. In the Transmission Provider's Network Resource mix, the resources outside the Transmission Providers balancing authority area are the most economical. Therefore, for the Transmission Provider's transmission paths in the Palo Verde East system, the set aside is determined by the Transmission Provider's ownership in the PVNGS. The set aside for Path 47 is determined by the Transmission Provider's ownership in both PVNGS and the Four Corners Power Plant. The set aside for transmission internal to the Transmission Provider's balancing authority area is determined through power flow studies outlined above using various realistic local generation dispatch configurations.

As necessary, the Transmission Provider will respond to a Point-To-Point Transmission Service request by performing studies to determine if sufficient transmission capability over the requested path is available to accommodate the request. The Transmission Provider will perform base case and contingency power flow studies using the models described above that will be used to determine the maximum amount of power that may be transferred (incremental to the transfer modeled in the base case) on the requested path that is within the Transmission Provider's balancing authority area. These studies will evaluate the Transmission Provider's ATC over the requested path based on voltage, thermal, and stability constraints with all lines in service and during contingency conditions, taking into consideration ETC, Transmission Reliability Margin (also known as Transmission Reserve Margin, and together "TRM") and Capacity Benefit Margin ("CBM") to the extent explained below. Existing confirmed Point-To-Point Transmission Service Requests ("TSR") made under the Transmission Provider's OATT, are incorporated in the calculation of ETC using the specified megawatt quantity, point of receipt and point of delivery of each TSR. Additionally, the Transmission Provider must assume that a Transmission Customer having the ability to do so, will rollover its existing long term TSR. To account for this, firm transmission capacity in the amount of the confirmed TSR is set aside until the Transmission Customer executes its rollover option.

The Transmission Provider sets aside transmission capacity for non-OATT customers with grandfathered contracts using the megawatt quantity, point of receipt and point of delivery specified in the contract (or as designated by the customer from time to time to the extent the contract provides the customer with discretion) for the duration of the contract.

The Transmission Provider will respond to a request for Network Integration Transmission Service in a similar manner. The Transmission Provider will perform these studies using the models described above in the same manner in which the Transmission Provider performs studies for its native load commitments.

In the scheduling and operating horizons, capacity from transmission reservations that have not been implemented and capacity reserved for native load that has not been scheduled are made available and posted on the OASIS as non-firm ATC. This process is automatically performed on the OASIS and ensures that non-firm ATC is released properly.

Further explanation of the ETC capacity reserved for each transmission segment is given in the document entitled "Principles, Practices and Methods for the Determination of Available Transfer Capability for El Paso Electric Company" which is available on the Transmission Provider's website at www.epelectric.com, "Transmission," "Document," which also can be accessed through the Transmission Provider's OASIS in the folder "ATC Information."

Definition and Calculation Methodology of TRM

TRM is defined by NERC as the following:

> The amount of transmission transfer capability necessary to provide reasonable assurance that the interconnected transmission network will be secure. TRM accounts for the inherent uncertainty in system conditions and the need for operating flexibility to ensure reliable system operation as system conditions change.

TRM is further defined by FERC as capacity set aside for "(1) load forecast and load distribution error, (2) variations in facility loadings, (3) uncertainty in transmission system topology, (4) loop flow impact, (5) variations in generation dispatch, (6) automatic sharing of reserves, and (7) other uncertainties as identified through the NERC reliability standards development process." The Transmission Provider is not required to make TRM available for sale on a non-firm basis. However, the Transmission Provider reserves TRM as a means of making non-firm capacity available on transmission segments/paths whose ATC varies depending on system conditions and contingencies. For example, if under certain system conditions, a segment capacity is limited by a thermal overload for a certain contingency to one value, then under other system conditions, that limitation and overload is not present, the Transmission Provider uses TRM to make the "extra" capacity available on a non-firm basis.

TRM is reserved by the Transmission Provider based upon power flow studies using the GE PSLF powerflow and stability programs using system modeling databases obtained through WECC. These databases are filed with the WECC's FERC Form No. 715 or use databases that are derived from those filed with the Form No. 715. TRM amounts are path-specific and are to be determined by the Transmission Provider on an annual basis. TRM is reserved based on the conditions under which a specified transmission segment will sustain a NERC/WECC criteria violation under a single (N-1) contingency for certain very limited system conditions. For example, one condition under which TRM may be used involves overloading of certain transmission facilities

during an outage due to certain power flow schedules. System conditions affecting TRM, including load levels, generation resource configurations and controllable device schedules, are the assumptions used to define TRM study conditions. Because the conditions under which TRM is reserved and used varies by path and may change from time to time as new system facilities are constructed, the line-by-line detail is provided in the document entitled "Principles, Practices and Methods for the Determination of Available Transfer Capability for El Paso Electric Company" which is available on the Transmission Provider's website at www.epelectric.com, "Transmission," "Document," which also can be accessed through the Transmission Provider's OASIS in the folder "TTC-ATC Documents."

Definition and Calculation of CBM

CBM is defined by NERC as the following:

> The amount of firm transmission transfer capability preserved by the transmission provider for Load-Serving Entities (LSEs), whose loads are located on that Transmission Service Provider's system, to enable access by the LSEs to generation from interconnected systems to meet generation reliability requirements. Preservation of CBM for an LSE allows that entity to reduce its installed generating capacity below that which may otherwise have been necessary without interconnections to meet its generation reliability requirements. The transmission transfer capability preserved as CBM is intended to be used by the LSE only in times of emergency generation deficiencies.

The Transmission Provider does not presently reserve any CBM on its lines and thus, its ATC formulas do not include such a deduction. If at some future date, the Transmission Provider sets aside CBM for use by the Transmission Provider or another LSE, then CBM will be made available as non-firm ATC. The Transmission Provider treats CBM and TRM in the same manner for the scheduling, operating and planning horizons.

Studies Performed by the Transmission Provider

The Transmission Provider will perform all studies, whether for Point-to-Point Transmission Service or Network Integration Transmission Service, as it performs transmission studies for its own use of the system. The Transmission Provider will adhere to Good Utility Practice, NERC and WECC planning and reliability standards when conducting these studies. In addition, the Transmission Provider will adhere to local area criteria, which will be designed to minimize customer outages and prevent equipment damage during contingency conditions.

The Transmission Provider will perform power flow simulations that model the peak system conditions for each of ten years in the future. The Transmission Provider may also perform simulations for off-peak conditions if a study is required to determine

limitations. The Transmission Provider will select the power flow model(s) that most closely align with the commencement date and the period of the requested Transmission Service to analyze the impact of the transmission request. The Transmission Provider will perform base case and contingency power flow studies that will be used to determine the impact on the Transmission Provider's system that a requested transaction may have compared to a case not including this transaction. Additional stability studies will be performed if needed. However, as a practical matter, it must be noted that planning studies must gauge the performance of the system based on a limited number of simulations. In the actual daily operations of the system, the limits as determined in the transmission capability study may vary due to system conditions.

If the studies determine that a simultaneous limit or a constraint occurs in another balancing authority area not participating in the transaction, the Eligible Customer requesting service will need to work with the appropriate entities to determine if the limitation is valid and what facility additions may be required to support the transfer. The Eligible Customer requesting service has the option to reduce the request to a level that alleviates the limit or constraint. The Transmission Provider will coordinate its determination of TTC and ATC on paths that interconnect with neighboring Transmission Providers.

The Transmission Provider will handle the study of requested transactions on paths external to the Transmission Provider's balancing authority area, but owned by the Transmission Provider, differently from the study of requested transactions on paths internal to the Transmission Provider's balancing authority area. In the first instance, the studies involving additional facilitates required for the requested transaction will be performed by the operating agent of the requested path. In the second instance, the Transmission Provider will perform the studies for any required additional facilities. Because the transfer capability into the Transmission Provider's balancing authority area from external sources is affected by and affects systems outside the Transmission Provider's balancing authority area, simultaneous limits for transfers into the

Transmission Provider's balancing authority area are defined by nomograms. Therefore, for these studies, the Transmission Provider will determine the TTC into the Transmission Provider's balancing authority area over the requested path and determine if the requested transfer can be accommodated above the Transmission Provider's firm requirements under nomogram transmission limits. This capability will be used to determine the maximum amount of power that may be transferred over the requested path.

The methodology used to determine the impact of the transaction will depend on the service requested. The methodology utilized is:

A. Purchase from a specified unit(s)

For this case, the impact of a transaction will be determined by increasing the

power from the specific unit designated by the Eligible Customer requesting service as its power supply and either: (1) increasing the receiving area load; or (2) decreasing the receiving area generation. The selection of option 1 or 2 above will depend on the transaction being evaluated.

B. Purchase from a Remote Balancing Authority Area

In this case, the impact of the transaction will be determined by increasing generation in the remote balancing authority area based on the projected operation of that system when considering the transfer and either: (1) increasing receiving area load; or (2) decreasing receiving area generation. The selection of option 1 or 2 above will depend on the transaction being evaluated.

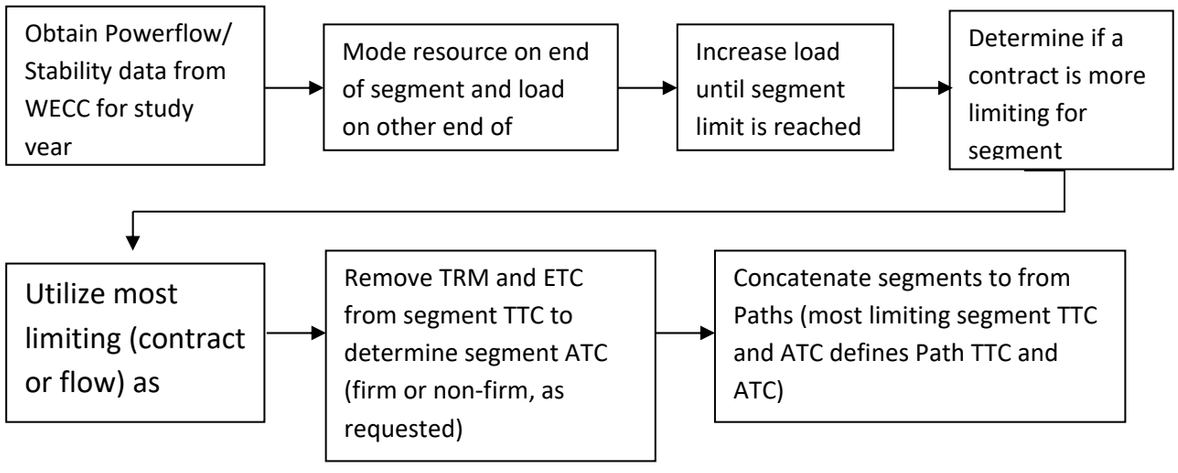
C. Sales

Impact to the transmission for power sales will be calculated similarly to the purchases above.

For transmission studies, if operating procedures (other than those reserved for emergency use) exist on the Transmission Provider's system that increase the transmission capability over the requested path and maintain system reliability, these operating procedures will be considered in the studies.

ATC Calculation Flow Chart and Description of Mathematical Algorithms used to Calculate ATC

The steps the Transmission Provider utilizes to determine TTC and ATC on the Transmission Provider's transmission system are provided in the following flow chart:



As a means to post and sell ATC on the Transmission Provider's transmission system, the Transmission Provider utilizes the Open Access Technology International,

Inc. (“OATI”) wesTTran OASIS. As part of this OASIS, the Transmission Provider, along with all other participants, has allowed OATI to regulate the methodology by which ATC is determined. The Transmission Provider is responsible for inputting the component values used in the ATC formula, but the structure of the formula can only be changed by OATI. In its simplest form, the calculation for ATC is given in the following formula:

ATC = TTC – TRM – CBM – □ETC

As explained above, the Transmission Provider does not currently reserve CBM on its system. The Transmission Provider's actual mathematical ATC algorithms and detailed descriptions thereof are provided in the document entitled “Principles, Practices and Methods for the Determination of Available Transfer Capability for El Paso Electric Company” which is available on the Transmission Provider’s website at www.epelectric.com, “Transmission,” “Document,” which also can be accessed through the Transmission Provider’s OASIS in the folder “ATC Information.”

The detailed description of the mathematical algorithms used to calculate firm and non-firm ATC for the Transmission Provider’s scheduling horizon (same day and real-time), operating horizon (day ahead and pre-schedule) and planning horizon (beyond the operating horizon) are provided below. The same algorithm is used to determine the firm ATC for all horizons. In these equations, firm ATC is calculated by subtracting TRM, CBM, ETC and confirmed firm TSRs from TTC. For the scheduling and operating horizons, the same algorithm is used to determine the non-firm ATC. In these equations, non-firm ATC is calculated by subtracting implemented firm and non-firm tags and ETC from TTC. There is no way to account for tags for the planning horizon non-firm ATC, since tags are entered only during the scheduling and operating horizons. Therefore, non-firm ATC for the planning horizon is determined by subtracting the committed firm and non-firm TSRs and ETC from TTC.

Scheduling Horizon ATC Formula:

Firm ATC = TTC – TRM – CBM – ETC – Confirmed Firm TSRs

Non-Firm ATC = TTC – ETC – Implemented Firm Tags – Implemented Non-Firm Tags

Operating Horizon ATC Formula:

Firm ATC = TTC – TRM – CBM – ETC - Confirmed Firm TSRs

Non-Firm ATC = TTC – ETC - Implemented Firm Tags – Implemented Non-Firm Tags

Planning Horizon ATC Formula:

Firm ATC = TTC – TRM – CBM – ETC – Confirmed Firm TSRs

Non-Firm ATC = TTC - ETC – Confirmed Firm TSRs – Confirmed Non-Firm TSRs

Cancelled Sheet

Cancelled Sheet

ATTACHMENT D

Methodology for Completing a System Impact Study

The procedure used for a System Impact Study that is performed upon receipt of a completed System Impact Study Agreement is as follows. The impact of the requested Transmission Service on system performance will be evaluated by the Transmission Provider utilizing the Western Electricity Coordinating Council ("WECC") power flow models. These models are developed by WECC member systems. These models normally include, in the base case, all transfers that WECC member systems reported as firm transfers at the time the base case was created. The Transmission Provider will select the base case power flow model(s) that most closely aligns with the commencement date for the requested Transmission Service and the period of the requested Transmission Service. The Transmission Provider will update, as needed, the selected base case to include all transfers then known to the Transmission Provider that would have a priority higher than the requested transfer. Additionally, the Transmission Provider will modify the selected model to represent the most up-to-date configuration of the Transmission Provider's system and, if the data are available and necessary, the transmission systems of others. The Transmission Provider will make these modified base cases available to the Eligible Customer requesting Transmission Service upon request in accordance with any confidentiality obligations and Critical Energy Infrastructure Information (CEII) requirements.

The Transmission Provider may perform simulations for several load levels for each year studied, i.e., peak and off- peak conditions, to determine any limitations and Direct Assignment Facilities or Network Upgrades that may be required at such time.

The Transmission Provider will include in the System Impact Study, at the request of the Eligible Customer, re-dispatch options including estimated re-dispatch costs, and conditional curtailment options, including the number of hours per year and the System Conditions during which conditional curtailment may occur. These study options will be evaluated using the WECC power flow cases mentioned above and production modeling programs, such as Promod IV.

For requests involving Firm Point-to-Point Transmission Service, operating procedures used in the Transmission Provider's Transmission System or other systems (that are known to the Transmission Provider) that increase the transmission capability and maintain system reliability will be considered. These operating procedures must be available or it must be possible to implement them within the time necessary to meet WECC reliability criteria. Additionally, to be considered in order to increase transmission capability, the operating procedure(s) must be in effect continuously for the time necessary to support the transfer. If these conditions can be met, the transmission capability will be computed assuming that the operating procedure is in effect. However, if the operating procedure requires actions by, or permission to impact, another transmission provider or another Control Area, the Eligible Customer and the

Transmission Provider will need to contact the other transmission provider or Control Area to determine the general availability of the operating procedures. Some operating procedures (e.g., those which adversely affect the reliability of customers other than those of the Eligible Customer requesting Transmission Service) which are only available when there exists infrequent requirement to shed firm load, are not available for non-emergency use.

If the studies predict that a constraint will occur in the system of another transmission provider or another Control Area, the Transmission Provider will so inform the Eligible Customer requesting service. The Transmission Provider and Eligible Customer will need to work with the appropriate parties to determine if the limitation is valid and to determine the Direct Assignment Facilities or Network Upgrades that may be required to be built by others to support the transfer. The Eligible Customer requesting service shall have the option to reduce the request to a level that can be sustained without experiencing the constraint.

The Transmission Provider's ability to import planned levels of emergency generation assistance from other systems will be studied to ensure that the reliability of service to Native Load Customers and existing Network Integration Transmission Service customers is not impaired by the requested transaction. The import capability values calculated from these cases shall be based on modeling outages of various generating resources. In such study cases, different combination of generators will be reduced to zero MW and zero MVAR. The outaged generation will be replaced by modeling imports from surrounding areas based on their expected ability to supply the power.

The Transmission Provider will perform the same types of studies related to Transmission Service requests as it performs for its own use of the system. However, as a practical matter, it must be noted that in planning studies the Transmission Provider must gauge the performance of the system based on a limited number of simulations. Moreover, in actual daily operation of the system, the limits as determined in the transmission capability study may vary due to system conditions. Hence, system study results may not be relied upon to assure that the requested Transmission Service will not be subject to curtailment or interruption. Transmission Capability determined in the manner described above will be a good faith estimate based on the information available to the Transmission Provider but will be subject to considerable uncertainty due to uncertainties of load projections, ability to realize previously planned reinforcements by the Transmission Provider or others (e.g. licensing, environmental or regulatory obstacles), and the transactions of other entities without the prior knowledge of the Transmission Provider or cancellations of transactions included in the base case model(s) upon which the study was founded.

NOTICE

The Transmission Provider reserves the right to utilize third-party contractors to perform System Impact Studies or portions thereof subject to its direction and control

(and utilizing the methodology described above). The report(s) prepared by the Transmission Provider, or under its direction pursuant to a contract between the Transmission Provider and the Eligible Customer are subject to the terms and conditions contained in the System Impact Study Agreement. The report is solely to be used by the Eligible Customer for the purposes set out in the agreement. The results reported therein are dependent upon the information supplied to the Transmission Provider by the Eligible Customer and by other entities. The report, the information provided therein and all supporting work papers are proprietary to the Transmission Provider and shall not be published or disclosed for any purpose without prior written consent of the Transmission Provider.

The Transmission Provider makes no expressed or implied warranties with respect to the results or the information contained in the report(s) and does not assume any liability resulting from or relating to the use of the report or the information contained in the report.

Clustering of Studies

On either the request of an Eligible Customer and the concurrence of all other Eligible Customers proposed to be included in the System Impact Study cluster, or at the Transmission Provider's option, Transmission Service requests may be studied in a cluster for the purpose of the System Impact Study.

Transmission Provider Proposed Clusters
In the event that the Transmission Provider proposes to cluster certain studies, it shall provide notice to each Eligible Customer that it proposes to include in the study. Each Eligible Customer shall be provided the opportunity to opt out of the cluster within ten (10) calendar days of notice from the Transmission Provider. If the Transmission Provider elects to cluster studies, the Eligible Customers in the study group that have not opted out shall execute a single System Impact Study Agreement. Sections 19.1 and 32.1 of the Transmission Provider's tariff require the Transmission Provider to tender a System Impact Study Agreement within thirty (30) calendar days of receipt of a Completed Application. Accordingly, the Transmission Provider shall tender the System Impact Study Agreement to each of the Eligible Customers that have not elected to opt out of the cluster within thirty (30) calendar days of the earliest date of receipt of a Completed Application from an Eligible Customer in the cluster. The cluster study's OASIS queue date will be based upon the first queued participating Eligible Customer's Transmission Service request.

Customer Proposed Clusters
If an Eligible Customer wishes to propose a cluster study, prior to submitting a cluster request to the Transmission Provider, the requesting Eligible Customer must contact all of the Eligible Customers whose requests it proposes to cluster and obtain their written consent that they are willing to have their request clustered with other identified requests. The Transmission Provider will reasonably determine whether the Transmission Service

requests that the Eligible Customer proposes to cluster and for which the other affected Eligible Customers have provided consent, are sufficiently similar, from an electrical perspective, to be feasibly and meaningfully studied together. The Transmission Provider reserves the right to reject a customer-proposed cluster on any reasonable grounds, including, without limitation, upon its determination that the proposed cluster cannot be feasibly studied as a group, is not likely to provide a result significantly different than separate studies, is structured as to allow one or more Eligible Customer(s) to avoid responsibility for one or more needed transmission system upgrades or if the proposed clustering impairs administration or timely processing of the Transmission Provider's Transmission Service queue. The Transmission Provider will make the determination whether to reject a proposed cluster, and provide notice of any decision to reject, within twenty (20) calendar days of receipt of all of the written consents of the Eligible Customers that propose to be clustered.

The Eligible Customers that have agreed to participate in the cluster will execute a single System Impact Study Agreement. Sections 19.1 and 32.1 of the Transmission Provider's tariff require the Transmission Provider to tender a System Impact Study Agreement within thirty (30) calendar days of receipt of a Completed Application. For purposes of a cluster study where the cluster has been formed by the customers, the thirty (30) calendar day period shall be deemed to commence on the later of (i) the date on which all Eligible Customers seeking to participate in the clustered study have submitted Completed Applications and (ii) the date on which the Transmission Provider receives consents from all of the Eligible Customers proposing to participate in the cluster. An Eligible Customer that would have been entitled to receive a System Impact Study as of an earlier date shall be deemed to have waived that right by providing written notice of its agreement to participate in the cluster. The cluster study's OASIS queue date will be based upon the participating Eligible Customer's Transmission Service request that was first queued.

Additional Provisions Applicable to All Clustered Studies
Clustered studies will not evaluate Redispatch and Conditional Firm Service solutions (and accordingly, each participating Eligible Customer will be deemed to have elected not have such options studied by consenting to be part of a cluster).

Once a System Impact Study Agreement is signed by the Eligible Customers agreeing to participate in the cluster study, in order to limit the potential for delay in completing the System Impact Study, no Eligible Customer shall be allowed to opt out of the cluster prior to completion of the System Impact Study nor another Eligible Customer allowed to opt into the cluster. After the results of the System Impact Study have been provided, an Eligible Customer may opt out of the cluster prior to signing a Facilities Study Agreement by providing notice to the Transmission Provider no later than expiration of the fifteen (15) calendar days allotted by Sections 19.4 or 32.4 and its Application will be deemed terminated and withdrawn. The Eligible Customer opting out (or failing to return the Facilities Study Agreement) must pay for any revised System Impact Study work caused by its decision to opt out. The Transmission Provider is not liable for delays

in completion of the System Impact Study or Facilities Study that result from withdrawal of an Eligible Customer from a cluster study group after such time as the System Impact Study has commenced.

The Transmission Provider will assign the cost of producing the clustered System Impact Study and the clustered Facilities Study, including any third-party study work required by the Transmission Provider, on an equal basis to each Eligible Customer participating in that Study.

ATTACHMENT E

Index Of Point-To-Point Transmission Service Customers

The index of Point-to-Point Transmission Service Customers is posted publicly in the Transmission Provider's Electric Quarterly Report.

ATTACHMENT F

Service Agreement For
Network Integration Transmission Service

This Service Agreement ("Agreement") is entered into this ___ day of _____, _____, by and between _____ ("Transmission Customer") and El Paso Electric Company ("Transmission Provider"). Transmission Customer and Transmission Provider are referred to herein as Parties.

WHEREAS, Transmission Provider has determined that Transmission Customer has made a valid request for Network Integration Transmission Service in accordance with the Transmission Provider's Open Access Transmission Tariff ("Tariff") filed with the Federal Energy Regulatory Commission ("Commission");

WHEREAS, Transmission Customer has represented that it is an Electric Utility eligible for service under the Tariff; and

WHEREAS, the Parties intend that capitalized terms used herein shall have the same meaning as in the Tariff;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein, the Parties agree as follows:

1. Network Service

1.1 Transmission Provider agrees during the term of this Agreement, as it may be amended from time to time, to provide Network Integration Transmission Service in accordance with the Tariff to allow for the delivery of power and energy from Transmission Customer’s Network Resources that Transmission Customer has committed to meet its Network Load.

1.2 The terms and conditions of such Network Integration Transmission Service shall be governed by the Tariff, as in effect at the time this Agreement is executed by Transmission Customer, or as the Tariff is thereafter amended. The Tariff as it currently exists, or as it is hereafter amended, is incorporated in this Agreement by reference. In the case of any conflict between this Agreement and the Tariff, the Tariff shall control.

1.3 Customer is located in (check one):
[ ] The Transmission Provider's Control Area.
[ ] Transmission Customer's Control Area.
[ ] Control Area of [Third-Party].

1.4 Transmission Service shall not begin until Transmission Provider and

Transmission Customer have entered into a Network Operating Agreement as required by the Tariff.

1.5 New interconnection points shall be established pursuant to the Tariff and set forth in a separate interconnection agreement to be negotiated by the Parties. Any charges for incremental facilities associated with such new interconnection points will be set forth in an exhibit to this Agreement.

2. Effective Date and Term of Agreement

2.1 This Agreement shall become effective and shall become a binding obligation of the Parties on the date on which the last of the following events shall have occurred (effective date):

(a) Transmission Provider and Transmission Customer shall have caused this Agreement and a Network Operating Agreement to be executed by their respective duly authorized representatives and each shall have furnished to the other satisfactory evidence thereof; or

(b) This Agreement and a Network Operating Agreement, either executed or unexecuted, shall have been accepted for filing and made effective without change by order of the Commission under the Federal Power Act, in which case the effective date of this Agreement and the Network Operating Agreement shall be as specified in the Commission's order. However, if the Commission, in such order, suspends this Service Agreement or any part thereof, or institutes an investigation or proceedings under the provisions of the Federal Power Act or imposes any conditions, limitations or qualifications under any of the provisions of the Federal Power Act which are determined by the Transmission Provider or the Transmission Customer to be adverse to it, then Transmission Provider and Transmission Customer shall promptly renegotiate the terms of this Agreement and the Network Operating Agreement in light of such Commission action. Each Party will use its best efforts to take or cause to be taken all action requisite to the end that this Agreement and the Network Operating Agreement shall become effective at the earliest practicable date.

2.2 Transmission Provider shall file this Agreement [and notice of termination (or modification), as necessary], with the Commission. The Parties agree to request that the Commission establish an effective date of _____.

2.3 This Agreement shall have a primary term which shall end on _____ if the Transmission Customer provided a two year written notice of termination to the Transmission Provider. If such two year notice of termination is not provided, this Agreement shall be extended from year to year unless terminated by the Transmission Customer by giving a two year written notice of termination, such termination to take place on an anniversary date of the primary term.

3. Network Load

3.1 A description of the Transmission Customer's Network Load is provided in Exhibit A to this Agreement

3.2 Transmission Customer-owned facilities to be credited to Transmission Customer's charges pursuant to the Tariff and this Agreement, if any, are listed on Exhibit B to this Agreement.

3.3 Transmission Customer shall have use of Transmission Provider's distribution facilities listed in Exhibit C to this Agreement.

3.4 Transmission Customer shall have use of Direct Assignment Facilities listed in Exhibit D to this Agreement.

3.5 Information required to schedule energy from alternate Network Resources on a non-firm basis is provided in Exhibit E to this Agreement.

4. Technical and Engineering Arrangements

The technical and engineering arrangements required for service pursuant to the Tariff shall be specified in the Network Operating Agreement between the Parties.

5. Rates and Charges

5.1 Transmission Customer shall pay the Transmission Provider the sum of the following rates and charges applicable to Transmission Customer receiving Network Integration Transmission Service from Transmission Provider, as specified and determined pursuant to the Tariff and this Agreement.

5.2 Demand Charge shall be determined pursuant to Section _____ of the Tariff.

5.3 Incremental Cost/Redispatch Charge, if applicable, shall be determined pursuant to Sections ____ and _____ of the Tariff.

5.4 The charge for losses, if applicable, shall be determined in accordance with Section _____ of the Tariff.

5.5 The credit for Transmission Customer-owned facilities, if applicable, shall be determined pursuant to Section _____ of the Tariff.

5.6 The charge for Ancillary Services, if applicable, shall be determined pursuant to Section _____ and Schedules 1 through 6 and 9 of the Tariff.

5.7 Distribution facilities charges are as follows:

5.8 Direct Assignment Facilities charges shall be as follows:

6. Notice

6.1 Any notice given pursuant to this Agreement shall be in writing delivered by mail postage prepaid, prepaid overnight courier or facsimile transmission to the following:

To Transmission Provider:

(overnight) See the contact information posted in the Documents area on the El Paso Electric OASIS opening page the "Transmission Contact Information" folder

(mail) See the contact information posted in the Documents area on the El Paso Electric OASIS opening page under the "Transmission Contact Information" folder

To Transmission Customer:

(overnight) _____
_____
_____
_____

(mail) _____
_____

( )_____-_____ (phone)
( )_____-_____ (phone)

6.2 The above names, address and facsimile numbers for Transmission Provider or Transmission Customer may be changed at any time by written notice to the other Party.

IN WITNESS WHEREOF, each of the Parties has caused this Network Integration Transmission Service Agreement to be duly executed by the authorized person in the places provided below.

TRANSMISSION PROVIDER	TRANSMISSION CUSTOMER
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date:_____	Date:_____

EXHIBIT A

To Service Agreement For

Network Integration Transmission Service

NETWORK LOAD DESCRIPTION

EXHIBIT B

To Service Agreement For

Network Integration Transmission Service

TRANSMISSION CUSTOMER OWNED FACILITIES

EXHIBIT C
To Service Agreement For
Network Integration Transmission Service

TRANSMISSION PROVIDER DISTRIBUTION FACILITIES
SUBJECT TO USE OF TRANSMISSION CUSTOMER

EXHIBIT D

To Service Agreement For

Network Integration Transmission Service

DIRECT ASSIGNMENT FACILITIES

EXHIBIT E
To Service Agreement For
Network Integration Transmission Service

INFORMATION REQUIRED TO SCHEDULE ENERGY
FROM ALTERNATE NETWORK RESOURCES ON NON-FIRM BASIS

A) Date of Schedule _____

B) Term of Schedule Transmission _____

C) Secondary Point of Receipt _____

D) Secondary Point of Delivery _____

E) Delivering Party _____

F) Receiving Party _____

G) Ultimate Consumer _____

H) Schedule of deliveries _____
(in whole megawatts) for
each hour of requested
non-firm service (to be
provided on a separate sheet)

ATTACHMENT G

Network Operating Agreement

A Network Operating Agreement shall be negotiated between the Transmission Provider and the Network Integration customer.

Issues To Be Addressed During Negotiations

When negotiating the terms of the Network Operating Agreement, the Transmission Provider and customers will address, among other things, the following issues:

1. Curtailment policies;

2. Customer usage, amounts, and locations;

3. Impact study;

4. Facilities study;

5. Metering;

6. Communications;

7. Liability;

8. Assignments and resales;

9. Billing; and

10. Defined Terms.

Summary Of Operating Principles

The Network Operating Agreement will be based on the following summary of operating principles.

Generation Resources

The Transmission Provider owns three "sets" of generation resources, which are defined by their locations and the type of fuel used.

First, Transmission Provider owns three gas or oil-fired, local generation plants totalling approximately 800 MW. The plants include the Newman Power Plant, Rio Grande Power Plant and Copper Plant. These plants produce the most expensive power.

Second, Transmission Provider has a 104 MW ownership interest in the Four Corners Power Plant, a mine-mouth coal plant located in northwest New Mexico. This plant, which is external to the Transmission Provider's local system, produces power which is less expensive than the local generation.

Third, Transmission Provider owns approximately 600 MW of generation capacity in the Palo Verde nuclear generation plant, located just west of Phoenix, AZ. This plant produces the least expensive power.

Relationship between Generation and Transmission System

In light of the above, the Transmission Provider will maximize the use of the nuclear and coal fired generation and minimize the use of local gas-fired generation as much as possible. However, in order to maintain system stability and voltage, the Transmission Provider must run a certain amount of local gas-fired generation at all times.

To import the remote nuclear and coal fired generation, Transmission Provider uses the bulk 345 kV transmission system owned and operated by the Transmission Provider which is connected to the greater WSCC interconnected grid. Transmission Provider is connected to the greater WSCC bulk transmission system through three 345 kV transmission lines, the West Mesa-Arroyo (connected to PNM), Springerville-Luna-Diablo and Greenlee Hidalgo-Luna-Newman 345 kV (both connected to TEP) lines. The transfer capability of these transmission lines is dependent upon each other and primarily upon the voltage "strength" of the system, that is, how well the system is able to maintain voltage during disturbances. Transmission Provider, along with other southern New Mexico system users, have developed "nomograms" which determine the transfer capability of this 345 kV system on a minute-by-minute basis based on the conditions of the system. The transfer capability determined by these nomograms is dependent upon the voltage "regulating" devices and voltage parameters of the 345 kV transmission system as well as Transmission Provider's internal system. These parameters include the following:

1. Number and amount of local generation running (local generation gives voltage support to the southern New Mexico system);

2. Number and location of southern New Mexico reactors (on the 345 kV system) switched in the system or out of the system (reactors are transmission line devices that when connected to the system are designed to reduce the voltage on the transmission line to which it is connected);

3. local system power factor (this is a measure of the voltage "strength" of the local underlying system which is reflected back to the 345 kV transmission system).

As mentioned above, Transmission Provider utilizes its lowest cost generation as much as possible, therefore, the power imports into the Transmission Provider's area over the three 345 kV lines interconnecting WSCC is held as high as possible for as long as possible. However, Transmission Provider must run a certain amount to local generation, which is incorporated in the nomogram transfer capability determinations, to maintain local system voltage. Therefore, Transmission Provider's operating practice is to import and load up as much as possible and for as long as possible the 345 kV WSCC interconnections to bring in the low-cost (nuclear and coal) generation, then run local gas/oil fired generation to make up the remaining load serving needs, down to a specified minimum (a minimum of three local generators on line at all times).

Curtailment of Transfer Capability on Transmission Provider's 345 kV WSCC Interconnection

For purposes of this discussion, curtailment means the forced reduction of transfer capability on the three 345 kV lines interconnecting Transmission Provider to the WSCC. As stated above, the transfer capability of this interconnection system is voltage dependent. Therefore, a curtailment can occur when the voltage parameters of the system change to a lower level. This curtailment can occur under two different scenarios.

The first is when the voltage regulating devices and parameters of the system serve to reduce the system voltage levels. This occurs when Transmission Provider's power factor (the measure of local system voltage) decreases, when a reactor is switched into the system and when a local generator is switched off. Under these conditions, the nomograms measure the system and determine a new lower transfer capability. Also, under these conditions, Transmission Provider is the only entity in southern New Mexico required to curtail its use of the transmission system, since these variables, power factor, generation and reactors, are either owned by and/or under the control the Transmission Provider.

The second scenario which will result in a curtailment of the use of the 345 kV transmission system is when one (or more) of the 345 kv lines interconnecting southern New Mexico and WSCC is lost. When this occurs, the entire system is "weakened", that is, voltage decreased, and thus the transfer capability is reduced. Under this scenario, all of nonfirm users are curtailed and all firm users in the transmission system are curtailed on a pro-rata basis.

Transmission Provider's HVDC Interconnection

The Transmission Provider has one remaining source of transfer capability -- power from a non-local source, in its HVDC interconnection to Southwestern Public Service Company (SPS). The capability of this source is not dependent upon the operation or capability of the 345 kV WSCC interconnections and is not dependent upon the parameters which affect those interconnections, power factor, local generation and reactors. Also, the capability of the 345 kV interconnections to WSCC is not dependent upon the operation of the HVDC interconnection. In other words, these two interconnections are independent of each other. The only way in which the HVDC transfers are curtailed to zero is if there is a loss of either the HVDC terminal or the Amrad to Artesia 345 kV line. Therefore, for a contingency on the Transmission Provider's side of the HVDC interconnection, this interconnection is binary, it is either on with the ability to transfer maximum capability or off with zero capability. There is, however, one scenario in which a curtailment reducing the transfers over this interconnection not to zero can occur. This is with either a contingency of a transmission line connecting to the SPS side of the Artesia HVDC terminal, i.e., on the SPS Artesia 230 kV bus, or with the loss of an SPS Tolk generating unit. Under the first condition, SPS has asked the Transmission Provider to reduce the schedules over the HVDC interconnection and under the second SPS has reduced the schedules to firm schedules, that is, curtailed any non-firm schedules.

Transmission Provider's Transfer Capability on its Interconnections

The transfer capability of Transmission Provider's interconnections is separated between the 345 kV interconnections to WSCC and the HVDC interconnection to SPS. In the first, the Transmission Provider has 645 MW of firm transfer capability with All Lines in Service. This transfer capability is decreased with the loss of any 345 kV line in that transfer path. This transfer capability is not decreased with the loss of the HVDC interconnection. In that interconnection, the HVDC, the Transmission Provider has 133 MW of rights. At this time, the Transmission Provider is maintaining the full transmission transfer capability of this path as Capacity Benefit Margin (CBM) under its ATC/TTC determinations and thus only able to use and sell this path's transfer capability as non firm transmission. The transfer capability of this path does not change with the loss of any 345 kV interconnection with the WSCC.

Capability Needed on External Entities for These Paths

The 345 kV transmission paths connecting the Transmission Provider to the WSCC grid are connected to two external entities. The West Mesa-Arroyo path is connected to PNM in Albuquerque and the Springerville-Luna-Diablo and the Greenlee- Hidalgo-Luna-Newman paths are connected to Tucson Electric Power Company (TEP). Therefore, in order for an entity, other than PNM or TEP, to have rights to deliver power to any of these interconnections, they must obtain rights through or on the transmission systems of PNM and/or TEP. The Transmission Provider's HVDC interconnection is connected to SPS at Artesia, so likewise, any entity using this interconnection, except SPS, must obtain rights

from SPS.

How These Interconnections Work in a Network Operation

When a party takes network service from the 345 kV interconnections to WSCC, it is using the Transmission Provider's entire southern New Mexico system. Under the Transmission Provider's operating agreements, the transfer capability into southern New Mexico over these lines is regarded as "system" rights rather than "line" rights. In other words, if a party has transfer rights in only one line, when that line is lost those transfer rights arc pro-rate curtailed rather than becoming zero (since that path is lost). On the other hand, if the party can obtain rights from the outside entities (PNM or TEP, depending upon the path) to deliver their power to the alternate delivery point, that party can still transfer a reduced portion of their power over the interconnection lines.

It is different for the HVDC interconnection. That interconnection is treated as "line" rights, that is, when the HVDC terminal or Artesia-Amrad line is lost, all of the rights, and therefore transfer capability is lost. The reason for this is that the power flowing on the WSCC interconnection lines share and are dependent upon all three lines. The power on the HVDC interconnection, however, only flows on that interconnection and the capability of that interconnection is not dependent upon any other line.

Therefore, when a party has network service over the WSCC interconnection lines, when one of these lines is lost, that network service is pro-rata curtailed along with all of the other users of those lines. Therefore, some part of the network service will remain. When a party has network service over the HVDC interconnection, however, with the loss of that interconnection, that network service is curtailed in its entirety. This is important in the purchase of reserves for transmission outages. In the first case, with service over the WSCC interconnections, the party does not have to purchase the full load requirement reserves to maintain network firm service for the loss of a transmission line. However, in the second case, with service over the HVDC interconnection, the party must purchase the full load requirement reserves to maintain network firm service.

Transmission Provider's Internal Transmission System

Transmission Provider's internal transmission system consists primarily 115 kV or 69 kV transmission lines, with a few 345 kV lines to transfer the power between major points in the system, i.e., Newman, Caliente and Arroyo. This transmission system is very heavily networked with most substations having multiple sources. Under this scenario, the loss of any one internal transmission line would not require a curtailment of a network customer. Some loads, however, are served by radial lines. With the loss of those lines, the entire service is lost since that load is then isolated from the network.

ATTACHMENT H

Annual Transmission Revenue Requirement and Formula Rate Template and Protocols

1. This Attachment H contains the Formula Rate Template and Protocols pursuant to which rates for Network Integration Transmission Service and Point-to-Point Transmission Services are developed and identified. The Template is found in Attachment H-1. The Annual Transmission Revenue Requirement is identified in Attachment H-1, tab "Projected Attachment H," page 1.

2. The formula rates are subject to true-up and adjusted prospectively in the manner set forth in the Formula Rate Implementation Protocols. The Protocols are found in Attachment H-2.

Section Formula Rate Template could not be added.

ATTACHMENT H-2
El Paso Electric Company Formula Rate Implementation Protocols
Projections are for Rate Years – January-December
True-Ups are for Calendar Years – January-December

I. Applicability

The following procedures (the "Protocols") shall apply to El Paso Electric Company's ("EPE" or "Transmission Provider") calculations under its Formula Rate Template set forth in Tariff Attachment H-1 ("Formula Rate Template").

For purposes of these Protocols, the term "Interested Party" means any person or state or local regulatory body with standing or authority to participate in Federal Energy Regulatory Commission ("Commission" or "FERC") proceedings. The initial set of Interested Parties shall be any party to Docket No. ER22-282 (who can be contacted via the email indicated on the Service List of such docket). Information as to how someone not on such Service List may sign up to be an Interested Party will be posted on EPE's OASIS.

II. Annual Updates

1. The Formula Rate Template, which is used to calculate rates for: (1) Schedule 1 – Scheduling System Control and Dispatch Service, (2) Schedule 7 – Long-Term Firm and Short-Term Firm Point-To-Point Transmission Service, (3) Schedule 8 – Non-Firm Point-To-Point Transmission Service, (4) Network Integration Transmission Service, and these Protocols together comprise part of the Transmission Provider's filed rate (collectively, the "Formula Rate") for Transmission Service under the Tariff or transmission agreements incorporating Tariff rates. The Formula Rate does not include rates and charges under other Tariff schedules. The Transmission Provider will follow the instructions specified

in the Formula Rate to annually calculate (project and subsequently true up as applicable) its Annual Transmission Revenue Requirement ("ATRR") and long-term firm loads to develop rates for Network Integration Transmission Service and Point-to-Point Transmission Service charged pursuant to Schedule 1, as well as Schedules 7, 8 and Attachment H-1 (together "transmission rates") for posting by the Transmission Provider (hereinafter the projection and true-up process is referred to as the "Annual Update").

2. The Formula Rate shall be applicable to service on and after January 1 of a given calendar year through December 31 of the same calendar year ("Rate Year"), subject to review, challenge, and refunds or surcharges with interest, as provided herein. The Formula Rate shall initially be effective January 1, 2022 (i.e., as of the effective date established by the Commission in Docket No. ER22-282-000).

3. Each calendar year, the Transmission Provider shall:

   (a) By June 15 of the current year, calculate the projected ATRR, and transmission rates for the next Rate Year ("Projection") and Schedule 1 rates for the next Rate Year in accordance with the Formula Rate Template. The Formula Rate specifies in detail the manner in which the immediately preceding calendar year FERC Form No. 1 data and actual data from the Transmission Provider's books and records shall be used as inputs to the Formula Rate in calculating the Projection.

   (b) By June 15 of the current year, calculate the true-up of the Projection for the immediately preceding calendar year in accordance with the Formula Rate ("True-Up Adjustment"). The True-Up Adjustment shall be based on

the difference between (1) EPE's projected Formula Rate net revenue requirements for the immediately preceding calendar year and (2) EPE's actual Formula Rate net revenue requirements for the immediately preceding calendar year. These actual net revenue requirements will be determined using EPE's FERC Form No. 1 data for the immediately preceding calendar year, and, to the extent specified in the Formula Rate, upon the books and records of EPE consistent with the Commission's accounting policies and practices; and will identify all material adjustments made to the FERC Form No. 1 data in determining Formula Rate inputs, including relevant footnotes to the FERC Form No. 1 and any adjustments not shown in the FERC Form No. 1.

(c) As part of the True-Up Adjustment, the Transmission Provider shall calculate the under- or over-collection of the revenue requirement for all customers taking service pursuant to the Formula Rate, as follows:

i. At the time of the Annual Update, the Transmission Provider shall calculate the amount of under- or over-collection of its actual net revenue requirement during the preceding Rate Year after the FERC Form No. 1 data for that Rate Year has been filed with the Commission.

ii. The True-Up Adjustment shall be calculated in the following manner. The projected net revenue requirement on the Projected Attachment H for the applicable Rate Year will be compared to the actual net revenue requirement for the same Rate Year as

determined by the population of the Formula Rate Template with actual data.

iii. Interest on any over-recovery of the actual net revenue requirement shall be determined based on the Commission's regulation at 18 C.F.R. § 35.19a. Interest on any under-recovery of the actual net revenue requirement shall be determined using the interest rate determined based on the Commission's regulation at 18 C.F.R § 35.19a. An average interest rate shall be used to calculate the interest payable for the twenty-four (24) months during which the over or under recovery in the revenue requirement exists. The interest rate will be determined based on the Commission's regulation at 18 C.F.R § 35.19a and using the average of the posted quarterly rates for the last four available quarters available at the time of posting.

iv. The True-Up Adjustment, as calculated on Worksheet P15 of the Formula Rate Template, shall be included in the Transmission Provider's subsequent projected net revenue requirement determination.

(d) Include with the Annual Update an identification and explanation of each material change ("Material Change"). A Material Change is: (i) any change in the Transmission Provider's accounting policies, practices or procedures (including, but not limited to, changes resulting from revisions to FERC's Uniform System of Accounts and/or FERC Form No. 1 reporting

requirements and inter-company cost allocation methodologies) from those in effect during the calendar year upon which the most recent actual ATRR was based and that could impact the Formula Rate, including impact to the ATRR or load divisor; (ii) accounting changes related to any reorganization, acquisition, divestment, or merger transaction, (iii) any items included in the Formula Rate at an amount other than a historic cost basis (e.g., fair value adjustments), (iv) any change in the classification of any transmission facility that has been directly assigned and the dollar value of the change that the Transmission Provider has made in the applicable Projection or True-Up Adjustment; (v) the initial implementation of an accounting standard or policy; (vi) the initial implementation of accounting practices for unusual or unconventional items where the Commission has not provided specific accounting direction; correction of errors and prior period adjustments that impact the calculation; (vii) the implementation of new estimation methods or policies that change prior estimates; (viii) changes to income tax elections; and (ix) reclassifications, including mapping changes, among FERC accounts between calendar years.

(e) Post such Annual Update on its OASIS by June 15, or if June 15 is a Saturday, Sunday or Federal holiday, the first business day thereafter ("Publication Date"), as well as a populated Formula Rate Template in fully functional spreadsheets, with all formulae and links intact, showing the calculation of such Annual Update with documentation supporting such calculation and information supporting the Projection as described in Section II.3(a), above, which information shall include a narrative, and

worksheets where appropriate, explaining the source and derivation of any data input to the Formula that is not drawn directly from the Transmission Provider's FERC Form No. 1 and provide sufficient information to enable Interested Parties to replicate the calculation of the formula results from the Formula Rate, as well as provide the following information for all transmission facilities included in the expected transmission plant additions: (i) expected date of completion; (ii) percent completion status as of the date of the Annual Update; (iii) a one-line diagram of projects exceeding $5 million in cost; (iv) the estimated total installed cost of the facility; and (v) the reason for the facility addition.

(f) On the Publication Date, notify Interested Parties by email (using the last known email addresses provided to the Transmission Provider) containing a link or a description of the location where the Annual Update is posted. The Transmission Provider shall use the email list, which includes the parties on the Commission's service list in the proceeding in which these Protocols are initially adopted, and any other email addresses of individuals who have requested to be included in the Annual Update distribution list.

(g) Regional Cost Sharing Mechanism: In the event that EPE utilizes a regional cost sharing mechanism with other transmission owners for the recovery of transmission project costs under the Formula Rate Template, EPE shall endeavor to coordinate with other transmission owners utilizing the same regional cost sharing mechanism to hold an annual joint informational meeting among those transmission owners and Interested Parties to provide

all Interested Parties the opportunity to understand how those transmission owners are implementing their formula rates for recovering the costs of such projects. Regional cost sharing mechanisms do not include joint facility ownership arrangements except and to the extent all affected joint owners agree otherwise. At EPE's earliest convenience, but no less than seven (7) days prior to such joint informational meetings, EPE shall provide notice on its website and OASIS of the time, date, and location of the joint informational meeting, and shall provide notice of such meeting via the email list described in Section II.3(f). EPE shall provide remote access to joint informational meetings to allow all Interested Parties the opportunity to remotely participate in such meetings.

4. A permitted change to the Formula Rate fixed components related to rate of return on equity (ROE), depreciation rates, and Post-Employment Benefits Other than Pensions (PBOP or OPEB) may not be made absent a filing with the Commission pursuant to Federal Power Act ("FPA") Sections 205 or 206. Likewise, any modification to the Formula Rate will require a filing under section 205 or 206 of the FPA.

III. Annual Review Procedures

Each Annual Update shall be subject to the following review procedures ("Annual Review Procedures"). If any of the dates provided for herein fall on a Saturday, Sunday or Federal holiday, then the due date shall be the first business day thereafter:

1. Each year, with at least fifteen (15) calendar days written notice, the Transmission Provider shall convene at least one meeting, which shall include at the Transmission Provider's option either video conferencing or webinar/internet conferencing,

among Interested Parties ("Annual Meeting") during which the Transmission Provider shall present details about its Annual Update. The Annual Meeting shall provide Interested Parties the chance to seek information and clarifications from the Transmission Provider about the Annual Update. The first Annual Meeting of a Rate Year shall take place within forty-five (45) calendar days from the Publication Date at a date and time convenient for a majority of the Interested Parties and posted on the Transmission Provider's OASIS and internet website. The Transmission Provider shall also schedule subsequent meetings as appropriate ("Subsequent Meetings"). The date and time of such Subsequent Meetings shall be posted on the Transmission Provider's OASIS and internet website and shall include at the Transmission Provider's option either video conferencing or webinar/internet conferencing.

2. Immediately following the Publication Date, Interested Parties may submit requests for information used in the calculation of the Annual Update. Interested Parties will have one-hundred and fifty (150) calendar days after the Publication Date to serve reasonable information requests to the Transmission Provider ("Information Request Period"). Such information requests shall be deemed reasonable when limited to that which is necessary to determine any of the following: (1) if the Transmission Provider has properly calculated and applied the Formula Rate for the Annual Update under review; (2) whether the inputs to the True-Up Adjustment or Projection are correct, prudent, and otherwise appropriate; (3) whether costs and credits have been accounted for and recorded appropriately; and (4) whether there have been any Material Changes that affect the Formula Rate calculations including

the effect of any change to the underlying Uniform System of Accounts or FERC Form No. 1.

3. The Transmission Provider shall make reasonable efforts to respond to information requests pertaining to the Annual Update within ten (10) business days of receipt of such requests. Such data responses shall be served on all Interested Parties identifying themselves to the Transmission Provider (as set forth in Section II.3(f)). Information requests received after 4 p.m. Mountain Prevailing Time shall be considered received the next business day. In the event the Transmission Provider believes it cannot respond within the ten (10) business day timeframe, it shall notify all Interested Parties and shall provide an estimate of when the Transmission Provider will provide the requested information.

4. The Transmission Provider shall make available in a central electronic location accessible to all Interested Parties all information requests received and all responses to such requests. Each information request received by the Transmission Provider shall become available in the central electronic location within one business day of receipt of such request. Each response by the Transmission Provider shall become available in the central electronic location within one business day of distribution of such response to the party that submitted the information request.

5. At any time throughout the Information Request Period and up to thirty (30) calendar days after the later of: (i) the close of the Information Request Period, or (ii) receipt of all responses to information requests submitted during the Information Request Period, any Interested Party may review the calculations

("Review Period") and notify the Transmission Provider in writing of any specific challenges to the application of the Formula Rate ("Preliminary Challenge"). Notice of such Preliminary Challenges shall be promptly posted (at the same location as the Annual Update) by the Transmission Provider.

6. Challenges to the Formula Rate itself shall not be considered within the scope of these Annual Review Procedures. Modifications to the Formula Rate itself can only be made pursuant to Sections 205 and 206 of the Federal Power Act, as set out in Article VI below.

IV. Resolution of Challenges

1. If the Transmission Provider and any Interested Party have not resolved a Preliminary Challenge to an Annual Update within sixty (60) calendar days after written notification of a Preliminary Challenge, senior management of the Interested Parties and the Transmission Provider may attempt to resolve any outstanding issues ("Senior Management Review"). If the Transmission Provider and any Interested Party's (or Parties') senior management are unable to resolve all issues raised in such Preliminary Challenge within thirty (30) calendar days after the Senior Management Review process begins, the Interested Party or Parties may, at any time thereafter, file a formal challenge with the Commission for a period up to three-hundred sixty five (365) calendar days after the Annual Meeting for a particular Annual Update ("Formal Challenge"). An Interested Party may not file a Formal Challenge thereafter. However, any Party may at any time within the period specified above, with or without prior Senior Management Review and regardless of whether a Preliminary Challenge was submitted, file a Formal

Challenge with the Commission regarding the Annual Update. For avoidance of doubt nothing in this Article IV is intended to limit the rights of any Interested Party to file a complaint under the FPA outside the Formal Challenge procedures provided by these Protocols.

2. The Transmission Provider shall promptly post notice of resolution of a Preliminary Challenge (at the same location as the notice of Preliminary Challenges) and shall notify all Interested Parties of such resolution, consistent with the procedures set forth in Section III.4, above.

3. Any and all information produced pursuant to these Protocols may be included in any proceeding concerning the Formula Rate initiated at FERC pursuant to the FPA, including, but not limited to, a Formal Challenge. Information produced pursuant to these Protocols designated as confidential information and not otherwise publicly available shall be treated as confidential in any such proceeding referenced herein; provided that confidential treatment shall be subject to a later determination by the presiding authority that the material is, in whole or in part, not entitled to confidential treatment.

4. Formal Challenges shall be filed with FERC in the FERC Docket assigned to the Informational Filing, and any Formal Challenge shall be served on the Transmission Provider by electronic service on the date of such filing in accordance with 18 C.F.R. § 385.2010(f)(3).

5. There shall be no need for an Interested Party to make a separate Formal Challenge with respect to any action initiated by the Commission *sua sponte* regarding an Annual Update, to participate in any resulting Commission proceeding.

6. Failure to make a Preliminary Challenge or Formal Challenge as to any Annual Update shall not act as a bar to a Preliminary Challenge or Formal Challenge related to any subsequent Annual Update. However, no Preliminary Challenge to an Annual Update shall be permitted after the deadline for written notification of Preliminary Challenges, described in Section III.5.

7. Failure to make a Preliminary Challenge or Formal Challenge with respect to a Material Change as to any Annual Update shall not act as a bar to a Preliminary Challenge or Formal Challenge related to that Material Change in any subsequent Annual Update.

8. Any changes or adjustments to the True-Up Adjustment or Projection resulting from the information exchanged during the Information Request Period, as well as any matters agreed to by EPE during a Preliminary Challenge will be reported in a separate informational filing with the Commission within forty-five days of the close of the Information Request Period. Any such changes or adjustments agreed to by EPE on or before December 1 will be reflected in the Projection for the upcoming Rate Year. Any changes or adjustments agreed to by EPE after December 1 will be reflected in the following year's True-Up Adjustment, as discussed in Section V.

V. Changes to True-Up Adjustment or Projection

1. Except as provided in Section IV.8 of these Protocols, any changes to the Formula Rate inputs, including but not limited to revisions to EPE's FERC Form 1, or as the result of any FERC proceeding to consider the True-Up Adjustment or Projection, or as a result of the procedures set forth herein, shall be incorporated into the

Formula Rate and the charges or credits produced therefrom shall be incorporated into the Projection for the next Rate Year. This reconciliation mechanism shall apply in lieu of mid-Rate Year adjustments. Except as otherwise specified pursuant to a Commission order, all refunds or surcharges shall be determined with interest calculated in accordance with 18 C.F.R. § 35.19a.

VI. Informational Filing

1. By March 15 of each following year, EPE shall submit to FERC an informational filing ("Informational Filing") of its Annual Update in Docket No. ER22-282. This Informational Filing must include the information that is reasonably necessary to determine: (1) that input data under the Formula Rate are properly recorded in any underlying workpapers; (2) that EPE has properly applied the Formula Rate and these Protocols; (3) the accuracy of data and the consistency with the Formula Rate of the net transmission revenue requirement and rates under review; and (4) the extent of accounting changes that affect Formula Rate inputs. The Informational Filing must also describe any corrections or adjustments made during that period and state in which Rate Year(s) those corrections or adjustments will be reflected in accordance with these Protocols. Within five (5) days of such Informational Filing, EPE shall provide notice of the Informational Filing to Interested Parties. Any challenges to the implementation of the Formula Rate must be made through the Challenge Procedures described in Section III and IV of these Protocols, and not in response to the Informational Filing.

VII. Party's Rights and Burden of Proof

1. Nothing in these Protocols affects any rights the Transmission Provider, FERC, or any Interested Party may have under the FPA, including the right of the Transmission Provider to file a change in rates under Section 205 of the FPA or the right of an Interested Party to file a complaint that is not a Formal Challenge at any time under Section 206 of the FPA or other Commission regulation, or for an Interested Party to participate in any Commission proceeding relating to the Tariff or the Formula Rate. Nothing in these Protocols affects or modifies in any manner the procedural and substantive requirements, including requirements relating to the burden of proof, that are otherwise applicable under Commission precedent, regulations, and statute, in such a proceeding. The provisions of these Protocols addressing review and challenge of the Annual Update shall not be construed as limiting the Transmission Provider's, FERC's, or any Interested Party's rights under any applicable provision of the FPA.

2. Failure to have made a Preliminary Challenge or Formal Challenge pursuant to these Protocols shall neither, in any manner, be asserted against a complainant in a proceeding instituted under Section 206 of the FPA nor prejudice or otherwise limit the complainant's right to relief that may be granted pursuant to Section 206 of the Federal Power Act.

3. Nothing herein is intended to alter the established burden(s) of going forward or burden(s) of proof as applied by FERC at the time of any proceeding. Notwithstanding and without limiting the foregoing, in any proceeding ordered by FERC in response to a Formal Challenge raised under these Protocols or a proceeding initiated *sua sponte* by the Commission, the Transmission Provider

shall have the ultimate burden of proof to establish that: (i) it correctly applied the Formula Rate consistent with the Protocols; (ii) it correctly calculated the Annual Update pursuant to the Formula Rate using inputs prepared in accordance with the Commission's applicable accounting regulations and guidance; (iii) it reasonably adopted and applied any Material Change. Nothing herein is intended to alter the burdens applied by FERC with respect to prudence challenges.

ATTACHMENT I

Index Of Network Integration Transmission Service Customers

The index of Network Integration Transmission Service Customers is publicly available in the Transmission Provider's Electric Quarterly Report.

ATTACHMENT J

Procedures for Addressing Parallel Flows

The Transmission Provider is a member of the Western Electricity Coordinating Council ("WECC").

The Transmission Provider adopts and incorporates by reference the WECC Unscheduled Flow Mitigation Policy (which includes the WECC Unscheduled Flow Reduction Guideline) and the WECC Standard IRO-006-WECC-1 (Qualified Transfer Path Unscheduled Flow Relief) or successor regional standard, each as amended and approved by the Commission.

ATTACHMENT K

Transmission Planning Process

I. El Paso Electric Company Local Transmission Planning

A. El Paso Electric Company Planning Process

Participation in El Paso Electric Company's ("EPE") planning process is open to all affected and interested parties, including, without limitation, potential and current Transmission Customers, interconnection customers, regulatory and state authorities, sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, and other stakeholders (jointly, "Stakeholders").

1. Overview

The EPE transmission planning process will consist of an assessment of the following needs:

a. Providing adequate transmission to access sufficient resources (supply or demand resources) in order to reliably and economically serve retail, wholesale and network loads in the EPE service area;

b. Where feasible, identifying non-transmission alternatives such as demand response resources that could meet or mitigate the need for new transmission;

c. Supporting EPE's local transmission and sub-transmission systems; and

d. Coordinating new interconnections with other transmission systems.

2. Transmission Planning Cycle, 10-Year System Expansion Plan and EPE Transmission System

a. The EPE 10-Year System Expansion Plan ("Plan") will be developed and published no less frequently than on a biennial calendar year basis. The Plan will be reviewed annually to verify that the modeling, assumptions and planned facilities remain appropriate. If the modeling, assumptions and planned facilities require modification, one or more special studies will be performed to evaluate the impact of the modifications. Any modifications

resulting from a special study will be incorporated in the next planning cycle as necessary. To the extent required by system changes, a Plan may be issued in the years between the planned issuances. EPE may opt to develop and publish its Plan annually on a regular basis in conjunction with regional biennial transmission planning in compliance with FERC Order No. 1000.

b. The purpose of the Plan will be to identify and evaluate, on a regular basis, any future electric transmission system modifications and additions or alternatives that may be required to serve the anticipated area load growth or other customers' transmission needs in the EPE service territory for a ten year planning horizon. The transmission facilities in EPE's local transmission plan are not subject to approval at the regional level unless EPE seeks to have such transmission facilities selected in the regional plan for purposes of regional cost allocation.

c. Stakeholders may participate in each stage of EPE's development of the Plan and any annual update for EPE's local transmission system. Participation opportunities include two meetings within the twelve month period in which the Plan is developed and other EPE meetings and opportunities to review data, submit data and request studies (each as further described below). EPE has attached hereto as Exhibit 1 a flowchart of the EPE transmission planning process.

d. EPE will post on its Open Access Same-Time Information System ("OASIS") the executive summaries of its Plan. Additional information, including a complete copy of the Plan will be available upon request, subject to appropriate confidentiality measures if needed.

e. EPE's transmission system includes (i) jointly owned transmission facilities in Arizona that are part of the Arizona Nuclear Power Project Valley Transmission System ("ANPP VTS") Participation Agreement and within the balancing authority area of Salt River Project ("SRP") and (ii) transmission facilities in New Mexico and Texas that are within EPE's balancing authority area, some of which are jointly owned or operated with other regional utilities. For purposes of Stakeholder participation in planning activities for any EPE transmission facilities other than the ANPP VTS, Stakeholders may contact EPE pursuant to information provided on the EPE website at www.EPElectric.com. Stakeholders should contact SRP pursuant to information on the SRP website at www.SRPnet.com to

participate in the planning activities for projects related to the ANPP VTS. EPE will work with the Stakeholder and SRP as necessary to ensure the Stakeholder is put in contact with the appropriate SRP planning representatives.

3. Stakeholder's Responsibility for Providing Data

a. As outlined in the planning flow chart (Exhibit 1), the EPE planning cycle typically will commence with the issuance by EPE of a notice to Stakeholders that wish to have their needs considered, including sponsors of transmission solutions, generation solutions and solutions utilizing demand response resources, or other non-transmission alternatives, in EPE's Plan to submit information and data regarding their needs (as specified in Section I.A.3.d below).

b. EPE will use the information and data provided by such Stakeholders to, among other things, assess network load and generation and demand resource projections, transmission needs, operating dates and retirements for generation resources in EPE's system and to update regional models used to conduct planning studies.

c. EPE will post date-specific schedules on its OASIS at least one month in advance of the due dates that identify when Stakeholder data and information are due in order to be included within EPE's next Plan. If customer data is not submitted in a timely manner pursuant to scheduled due dates, then the data submitted may not be able to be incorporated into the then-current planning cycle, although it will be included in the next annual review and/or planning cycle, if applicable.

d. Information Submitted by Stakeholders

(i) Point-to-point Transmission Customers, Network Customers, interconnected generators, prospective providers of demand-side management and sponsors of transmission solutions, generation solutions and solutions utilizing demand response resources or other non-transmission alternatives, and other customers must provide information to EPE over a ten year planning horizon regarding their needs, proposed expansion plans and updates to previously provided forecasts to the extent they wish to have such information included in developing the EPE Plan. The obligation to make such submittals, however,

will not replace or supersede any requirements related to service or interconnection requests of point-to-point Transmission Customers and Network Customers or interconnected generators under other relevant sections and appendices of EPE's Open Access Transmission Tariff ("OATT").

(ii) Information for projected loads and resources, including demand response resources, provided by Stakeholders must be submitted in a form that matches the load and resource information developed by System Planning at EPE. The specific power flow and stability program used by EPE and the related data format for both load and generator data will be posted on EPE's OASIS.

(iii) For loads and demand response resources, the submitted data must include both MW and MVAR (both peak and off-peak values) and for generators, it must include D-Curves, terminal voltage, MW maximum and minimum capabilities and step-up transformer data. Stability data will depend on the type of generator. The format for this information will be supplied to the generator as needed**.**

(iv) The data must be submitted electronically to EPE System Planning at EPESystemPlanning@epelectric.com or on a readable CD or DVD in a readily readable format compatible with EPE's designated power flow and stability program. EPE will treat all similarly-situated Stakeholders and their data on a comparable basis to one another and will consider on a basis comparable to its own data all data submitted by Network Customers, point-to-point Transmission Customers, sponsors of transmission solutions, generation solutions and solutions utilizing demand response resources or other non-transmission alternatives, demand-side management providers and generators ("customer data"). EPE will work with the entity submitting the customer data to format the information for inclusion in the planning process.

(v) In order to preserve the effectiveness of the EPE planning cycle, Stakeholders must provide relevant data for their ten year needs as described above for the following, consistent with protection requirements for Critical Energy Infrastructure Information ("CEII") and proprietary and confidential

information:

(a) Generators – planned additions or upgrades (including status and expected in-service date), planned retirements, and environmental restrictions. Such data submittals, however, will not replace or supersede any requirements for interconnected generators under other relevant sections and appendices of EPE's OATT.

(b) Demand response resources – existing and planned demand resources and their impacts on demand and peak demand.

(c) Network Customers – forecast information for load and resource requirements and identification of demand response reductions.

(d) Point-to-point Transmission Customers – projections of need for service, including transmission capacity, duration and receipt and delivery points. Such data submittals, however, will not replace or supersede any requirements for transmission service requests under other relevant sections and appendices of EPE's OATT.

(e) Transmission sponsors – planned additions or upgrades (including status and expected in-service date) and planned retirements.

e. Each Stakeholder will be responsible for submitting in a timely fashion a written notice of material changes in information and data previously provided by that Stakeholder pursuant to this Attachment K pertaining to load, resources, including demand response resources and generation, transmission service, or other aspects of their facilities and operations, to ensure EPE's Plan reflects current information to the extent reasonably possible.

4. Types of Planning Studies

a. Reliability Studies. EPE will conduct reliability studies to ensure that all of the North American Electric Reliability Corporation or its successor ("NERC"), Western Electricity Coordinating Council or its successor ("WECC") and local reliability standards are met for its planning horizon for service to all EPE and Stakeholder planned loads and resources (based on available information). These

reliability studies will be coordinated with the other regional transmission planning organizations through studies conducted by EPE's subregional planning organization (*i.e.*, the Southwest Area Transmission Planning Group or its successor ("SWAT") within WestConnect[1] or its successor ("WestConnect")). Reliability studies will be paid for by EPE and EPE will recover the costs of such studies through its transmission rates. [1. WestConnect was originally formed under a memorandum of understanding ("MOU") voluntarily entered into by transmission –providing electric utilities in the Western interconnection. EPE is a party of the WestConnect MOU. Following the effective date of EPE's Attachment K tariff provisions under which compliance with FERC Order No. 1000 is implemented, as well as the effective dates of the Order No. 1000 compliance filings of other FERC-jurisdictional transmission providers in WestConnect, the members of WestConnect will establish a regional planning management committee which will be responsible for regional transmission planning.]

b. Economic Studies. Economic planning studies may be performed to identify significant and recurring congestion and/or address the integration of new resources and loads on the EPE transmission system. Subject to the provisions of Sections I.A.5, I.A.6 and I.A.7, such studies will be conducted upon request by a Stakeholder (which may include EPE) to analyze (i) the location and magnitude of the congestion, (ii) possible remedies for the elimination of the congestion, in whole or in part, including transmission solutions, generation solutions and solutions utilizing demand response resources, (iii) the associated costs of congestion, (iv) the cost associated with relieving congestion through system enhancements (or other means), and, as appropriate, (v) the economic impacts of integrating new resources and load.

c. Consideration of Public Policy Requirements. For purposes of this Attachment K, "Public Policy Requirements" means those requirements enacted by state or federal laws or regulations, including those enacted by local governmental entities, such as a municipality or county. Public Policy Requirements, as applicable, are incorporated into the load forecasts and/or modeled in the local planning studies. For example, EPE incorporates existing and planned energy efficiency, demand response and distributed generation programs that are required as a result of state-mandated renewable energy standards and energy efficiency rules in its transmission planning analysis. Proposed public policy (public

policy proposed before a governmental authority but not yet enacted) may be studied if time and resources permit.

5. Economic Planning Study Requests

a. Any EPE Stakeholder ("Requester") may submit a study request for an economic planning study directly to EPE or WECC's Transmission Expansion Planning Policy Committee or its successor ("TEPPC"). All requests submitted to EPE should be addressed and sent to the Director, System Planning at EPESystemPlanning@epelectric.com. To the extent the Requester does not receive from EPE a confirmation of receipt of the study request within seven calendar days after its submittal, the Requester should contact the EPE Director, System Planning directly pursuant to the contact information provided on EPE's OASIS.

b. All economic planning study requests, whether or not the study work is performed by EPE, will be forwarded to TEPPC for inclusion in the TEPPC master list of economic studies for the Western Interconnection ("TEPPC Master List") (see "EPE URL Master List" at http://www.epelectric.com/site/transmission.nsf/transmission?openform) and/or forwarded directly to WestConnect.

c. Requester's request for economic planning studies and responses to such requests will be posted on the EPE OASIS and the WestConnect website, (see "EPE URL Master List"), subject to CEII and confidentiality requirements.

d. If a Requester submits its economic planning study request directly to EPE, EPE will review the request with input from its Stakeholders in a public meeting called for that purpose and noticed on EPE's OASIS. EPE will determine whether the study should be considered a local request (i.e., if the study request does not appear to affect the interconnected transmission systems outside of EPE's balancing authority area, any new facilities would be confined to EPE's balancing authority area, and the study requested could be performed by EPE). If the study request appears to involve a subregional or regional area, EPE will transfer the request to TEPPC or WestConnect.

e. If EPE determines, with input from Stakeholders, that the economic planning study request is a local study and the request should be

designated as a priority local study for the applicable year ("Local Priority Study"), then EPE or its third party contractor will conduct the study and coordinate assumptions and results with its Stakeholders, subject to the below limit on the number of Local Priority Studies conducted by EPE or its contractor per calendar year. The factors, in addition to those listed above in Section I.A.5.d above, considered in a determination of whether the study request is a Local Priority Study are: (i) the number of pending local study requests, (ii) the expected effect on reliability, (iii) whether the modification proposed to be studied would affect multiple system users and (iv) whether the request raises fundamental design issues of interest to multiple parties. EPE will have no obligation to conduct and pay for more than three Local Priority Studies per calendar year. Each study request will be evaluated in the order in which it is received to determine if it meets the criteria for a Local Priority Study. All economic planning studies performed by EPE, its contractor or TEPPC, will utilize the TEPPC public data base.

f. In the event that more than three economic planning studies are designated as Local Priority Studies in one calendar year (each such Local Priority Study beyond the limit to be conducted by EPE or its contractor, a "Non-conducted Local Priority Study"), the Requester of each Non-conducted Local Priority Study may perform, or request that EPE assist the Requester in having a third party perform, its economic planning study at the Requester's expense. The Requester of a Non-conducted Local Priority Study will have use of the TEPPC economic study data base, subject to any disclosure policy of WECC. EPE will support such Requester in ensuring that the study is coordinated through local, subregional or regional planning groups, if necessary.

g. In the event the study is transferred to TEPPC, TEPPC will review economic planning study requests received from Transmission Providers, subregional transmission planning groups, and Requesters during its open stakeholder meeting (see TEPPC website for meeting schedules) and, together with its stakeholders, will prioritize requests for economic planning studies. Both EPE and Requester will have an opportunity to participate in the TEPPC prioritization process and provide input as to why the study should be included in the TEPPC study plan. For more detail regarding TEPPC's economic planning study process study request window and criteria utilized to prioritize requests for regional economic studies, the URL to the TEPPC economic planning process is listed in the "EPE URL Master List."

h. If either EPE or TEPPC determines, after reviewing through an open stakeholder process, that the request for an economic planning study is not a Local Priority Study or TEPPC priority, respectively, the Requester may perform, or request that EPE assist the Requester in having a third party perform, the economic planning study at the Requester's expense. The Requester will have use of the TEPPC economic study data base, subject to any disclosure policy of WECC, and EPE will support the Requester in ensuring that the study is coordinated through local, subregional or regional planning groups, if necessary.

i. EPE may determine that any number of Requesters' economic planning study requests should be studied together or a Requester may ask that EPE study its request together with other requests. EPE will combine such studies as it deems appropriate in accordance with the following criteria:

1. *EPE Proposed Clusters*
   In the event that EPE proposes to cluster certain Local Priority Studies on any reasonable grounds, including without limitation, upon its determination that the proposed cluster of studies are sufficiently similar, from an electrical perspective, to be feasibly and meaningfully studied as a group, it shall provide notice to each Requester that EPE proposes to include in the study. Each Requester shall be provided the opportunity to opt out of the cluster within ten (10) days of the notice from EPE. If a Requester desires to opt out, it must provide notice to that effect in writing to EPE's Director of System Planning pursuant to the contact information provided on EPE's OASIS.

2. *Requester Proposed Clusters*
   If a Requester wishes to propose a cluster study, such request must be given in writing to EPE's Director of System Planning pursuant to the contact information provided on EPE's OASIS. Prior to submitting an economic planning study cluster request to EPE, the Requester must contact all of the other Requesters whose requests it proposes to cluster, and obtain their written consent to have their request clustered. EPE will reasonably determine whether the economic planning study requests that the Requester proposes to cluster, and for which the other affected Requesters have provided consent, are sufficiently similar, from an electrical perspective, to be feasibly and meaningfully studied

together. EPE reserves the right to reject a Requester-proposed cluster on any reasonable grounds, including, without limitation, upon its determination that the proposed cluster cannot be feasibly studied as a group or if the proposed clustering impairs administration or timely processing of the economic study process. EPE will make the determination whether to reject a proposed cluster, and provide notice of any decision to reject, within twenty (20) days of receipt of all of the written consents of the Requesters that propose to be clustered.

6. Economic Planning Study Cycle. EPE will coordinate the timing of its economic planning study cycle process with the TEPPC process. EPE will post on its OASIS the submission date by which a Requester must submit its study request, which will be at least one month prior to the beginning of the study request window required for the TEPPC study process (see "EPE URL Master List"). If the Requester misses this deadline, the Requester may submit its request directly to TEPPC or the request will be processed with the next EPE economic planning study cycle, which will be scheduled in coordination with the next TEPPC study process.

7. Cost Responsibility for Economic Studies

   a. Local Priority Studies conducted pursuant to Section I.A.5.e, whether individual or clustered, will be performed by EPE or a third party chosen by EPE and paid for by EPE. EPE will recover the costs of such studies through its transmission rates.

   b. Non-conducted Local Priority Studies will be paid for by the Requester pursuant to Section I.A.5.f above.

   c. The costs of economic planning studies performed by WECC (through TEPPC) will be recovered through WECC's membership dues.

   d. Studies not characterized as a Local Priority Study or TEPPC priority will be performed at the Requester's expense. EPE will have the option to perform such study or work with the Requester and its third party contractor, which in turn would perform the study.

8. Exchange of Data Unique to Economic Planning Studies

   a. EPE will obtain all data used for its economic planning studies from the TEPPC data base.

b. Requester's request for detailed base case data must be submitted to WECC in accordance with the WECC procedures, as described on WECC's website.

9. EPE Planning Methodology and Protocols

a. Data, Assumptions and Criteria. EPE's power flow base cases for the Plan will be structured using data from WECC base cases. EPE will review and modify as needed transformer and transmission line data, substation load data as per the most recent native system load forecast and resource data, including Stakeholder data received in a timely manner. The Stakeholder data will include data from sponsors of transmission solutions, generation solutions and solutions utilizing demand resources. EPE planning case assumptions will be chosen to model the maximum stress on the EPE system. EPE will use reliability criteria established by WECC and NERC, such as Reliability Standards TPL-001 through TPL-004, and internal EPE criteria as published in EPE's annual Federal Energy Regulatory Commission ("FERC") Form No. 715, to determine if system plan cases meet acceptable criteria and, if not, what facilities are needed to meet that requirement. Data compiled by EPE in connection with the development of its Plan will be provided to regional and subregional planners, through EPE's data submittal to the WECC database as outlined in Exhibit 1, to update their models, which in turn will be used in subsequent system Plans by EPE and potentially by others. This data will then be used in the economic planning studies performed by WestConnect, TEPPC, EPE or a Requester.

b. EPE and Stakeholder Alternative Solutions Evaluation Basis. EPE's planning process is an objective process that evaluates use of the transmission system on a comparable basis for all customers. All solution alternatives that have been presented on a timely basis (per Section I.A.3 of this Attachment K), including transmission solutions, generation solutions and solutions utilizing demand response resources or other non-transmission alternatives, whether presented by EPE or another Stakeholder, will be evaluated on a comparable basis. The same criteria and evaluation process will be applied to competing solutions and/or projects, regardless of type or class of Stakeholder. Solution alternatives will be evaluated against one another on the basis of the following criteria to select the preferred solution or combination of solutions: (1) ability to

practically fulfill the identified need; (2) ability to meet applicable reliability criteria or NERC Planning Standards issues; (3) technical, operational and financial feasibility; (4) operational benefits/constraints or issues; (5) cost-effectiveness over the time frame of the study or the life of the facilities, as appropriate (including adjustments, as necessary, for operational benefits/constraints or issues, including dependability); and (6) where applicable, consistency with State or local integrated resource planning requirements, or regulatory requirements, including cost recovery through regulated rates.

c. Planning for Public Policy Requirements in the Local Planning Process.

1. Procedures for Identifying Transmission Needs Driven by Public Policy Requirements

Stakeholders may participate in identifying local transmission needs driven by Public Policy Requirements by contacting EPE's point of contact at EPESystemPlanning@epelectric.com. In addition, stakeholders have the opportunity to offer input or make proposals at EPE's open meetings held pursuant to this Attachment K.

The process by which EPE is to identify those local transmission needs driven by Public Policy Requirements for which a local transmission solution(s) will be evaluated, out of what may be a larger set of local transmission needs, is to utilize the two communication channels it has in place with stakeholders, identified above, through which local transmission needs driven by Public Policy Requirements are to be part of the open dialogue: (a) direct electronic communication to the EPE dedicated email address, through which a stakeholder desiring to communicate directly with EPE transmission planners may offer its views on which local transmission needs are ripe for evaluation for solutions, and (b) through participation in EPE's open meetings held pursuant to this Attachment K.

In selecting those local transmission needs driven by Public Policy Requirements that will be evaluated for solutions in the current planning cycle, EPE is to consider, on a non-discriminatory basis, factors, including but not limited to, the following:

(i) Whether the Public Policy Requirement is driving a local transmission need that can be reasonably identified in the current planning cycle;
(ii) the feasibility of addressing the local transmission need driven by the Public Policy Requirement in the current planning cycle;
(iii) the factual basis supporting the local transmission need driven by the Public Policy Requirement; and
(iv) whether a Public Policy Requirement has been identified for which a local transmission need has not yet materialized, or for which there may exist a local transmission need but the development of a solution to that need is premature. One example is a renewables portfolio increase that is enacted for implementation in a future year, and for which the process by which the renewable resource is to be identified, selected, and sited under the governing state-regulated resource adequacy process has not yet begun (making it premature to identify the location and scope of the local transmission need and/or the appropriate solution for the need).

No single factor shall necessarily be determinative in selecting among the potential transmission needs driven by Public Policy Requirements.

EPE is not required to identify any particular set of local transmission needs driven by Public Policy Requirements, but if EPE chooses not to identify any stakeholder-suggested local transmission need driven by a Public Policy Requirement as a transmission need for which solutions will be evaluated in the local transmission planning process, EPE will post on its OASIS an explanation of why the suggested transmission need will not be evaluated. EPE's OASIS posting will include both an explanation of those local transmission needs driven by Public Policy Requirements that have been identified for evaluation for potential solutions in the local transmission planning process, and an explanation why other stakeholder-suggested transmission needs driven by Public Policy Requirements were not identified for further evaluation. After considering the input of stakeholders, EPE is to determine whether to move forward with the identification of a local solution to a particular local need driven by Public Policy Requirements.

2. Procedures for Evaluating Solutions to Identified Transmission Needs

Stakeholders may use the two communication avenues identified above (direct electronic communication via email and/or participation in EPE's open meetings) to participate in the evaluation of solutions to identified local transmission needs driven by Public Policy Requirements that are selected by EPE for further evaluation. Stakeholder may provide comments on proposed solutions or may submit other proposed solutions to such local transmission needs.

After seeking the input of stakeholders, EPE is to determine whether to select a particular local solution in its local transmission plan. EPE will post its local transmission plan, which will include any such solutions selected.

The procedures for evaluating potential solutions to the identified local transmission needs driven by Public Policy Requirements are the same as those procedures used to evaluate any other project proposed in the local planning process.

3. Posting of Public Policy Needs

EPE will maintain on its OASIS (i) a list of all local transmission needs identified that are driven by Public Policy Requirements and that are included in the studies for the current local planning cycle; and (ii) an explanation of why other suggested transmission needs driven by Public Policy Requirements will not be evaluated.

d. Disclosure of Data, Assumptions and Criteria. Stakeholders may obtain the WECC base cases (including power flow base cases and associated files for stability cases) through WECC. The EPE data and assumptions and internal criteria (including EPE's FERC Form No. 715) will be made available to Stakeholders (i) through EPE's OASIS or web postings, to the extent possible, (ii) at the EPE planning meeting(s) held within the period in which the Plan is developed and other EPE planning meetings and (iii) upon request, in each case subject to applicable confidentiality, CEII and standards of conduct requirements. The WECC and NERC reliability criteria may be obtained from the WECC and NERC websites, respectively.

e. Subject to any confidentiality requirements, EPE will post copies of

planning studies on EPE's OASIS when completed or make them available upon request, and will make copies of the Plan available upon request. Stakeholders may contact EPE's Director of System Planning to discuss specific planning issues. Contact information is provided on EPE's OASIS.

B. Confidentiality and CEII

Although the EPE transmission planning process is open to all Stakeholders, Stakeholders will be required to comply at all times with certain applicable confidentiality measures necessary to protect confidential information, proprietary information or CEII.

1. EPE's transmission planning studies may include base case data that are WECC proprietary or classified as CEII by FERC. Access to this information will require membership in WECC or execution of a WECC confidentiality agreement and a review by WECC (as well as compliance with any additional CEII protection measures required by law or regulation). Any person submitting planning data to EPE will be deemed to have consented to allow such information to be used in the development of regional and subregional models and to be made available to others through the WECC base cases, including WECC power flow and stability databases.

2. Certain models and information may be proprietary to third parties. EPE's release or use of proprietary information made available to it by a third party will be governed by the applicable licensing or use agreements. Stakeholders that seek access to or use of models or information subject to such agreements that are inconsistent with EPE's rights to provide such access will be required to secure the rights they require from the third party holder of the rights.

3. Standards of Conduct. EPE is subject to the standards of conduct set forth at 18 C.F.R. Part 358 of FERC's regulations. Stakeholders that obtain non-public transmission information through access to EPE's planning process must protect against disclosure of that information to wholesale market participants to the extent required under 18 C.F.R. Part 358.

4. To the extent confidentiality issues arise that are not otherwise covered above, input from Stakeholders will be solicited, accepted and reviewed to determine the appropriate level of information sharing, the timeline for disclosure of the information as well as the procedures for gaining access to such data and the liability for breach. Such standards and procedures will

be posted on EPE's OASIS as developed. However, in all cases, (i) rules regarding information sharing will permit the disclosure of data as required to comply with law, governmental regulations or the order of a judicial or governmental authority with jurisdiction to require its disclosure (provided the party required to make the disclosure seeks to utilize available procedures to limit further disclosure, such as filing under seal) and (ii) any person that releases confidential or proprietary information in contravention of the standards and procedures adopted, willfully or through gross negligence, will be denied continued or future access to all such information. EPE will reserve the right to avail itself of legal and equitable rights and remedies it may have under federal and state laws and regulations to enforce the confidentiality provisions and the right to require reasonable, nondiscriminatory limits on access to information that, if released to the general public, could reasonably be expected to cause commercial harm. EPE will not use the confidentiality measures for discriminatory purposes.

5. To the extent a confidentiality agreement will need to be executed by Stakeholders, EPE will provide notice of such requirement on EPE's OASIS.

C. EPE Open Public Meetings

EPE will conduct open public planning meetings during its local planning cycle.

1. Stakeholder Input. Opportunity for Stakeholder comment and input to the EPE planning process will be provided through the regular periodic transmission planning meetings during the planning cycle. In addition, Stakeholders may submit written comments to EPE regarding any issues that may arise during the development of the EPE Plan, such comments to be addressed and sent to Director, System Planning at EPESystemPlanning@epelectric.com.

2. Regular Periodic Meetings. EPE will hold at least two open public transmission planning meetings a year, in coordination with the SWAT open public transmission planning meetings, to allow for EPE planning activities to be coordinated with all Stakeholders on a transparent, non-discriminatory and comparable basis. All transmission planning meetings will be open to any Stakeholders, including sponsors of transmission solutions, generation solutions and solutions utilizing demand resources or other non-transmission alternatives. In the event this number of meetings is found inadequate, EPE will increase the frequency of the meetings.

3. Purpose. Each public transmission planning meeting will be arranged to (i) allow EPE to maximize its understanding of its customers' forecast needs for the EPE transmission system, (ii) foster discussion and create a transparent planning process and (iii) provide an opportunity for Stakeholders to be informed about and offer input and advice on the Plan during the planning process and before Plan finalization. It is anticipated that the 1st meeting of the local planning cycle will be used to discuss existing and planned facilities and Plan development and the 2nd meeting of the local planning cycle will be used to discuss the results of the Plan studies and any required facilities arising from those study results.

4. Process

   a. Meeting Notice and Contact Information. Notice of the specific date, time, location and agenda for EPE transmission planning meetings will be posted on EPE's OASIS at least fourteen calendar days in advance of the particular meeting. In addition to posting meeting announcements on OASIS, EPE procedures and contact information, including names and e-mail addresses of EPE contacts, will be supplied on EPE's OASIS. A Stakeholder may send an e-mail to any of the contacts listed requesting its name be added to a distribution list ("E-mail List"). EPE will send via e-mail all meeting notices or announcements regarding transmission planning issues to the E-mail List. In the event that significant projects develop or other significant events occur pursuant to development of the Plan, EPE will post the nature of those events on its OASIS, along with any related planning meetings scheduled to address them, so Stakeholders may elect to participate. EPE will also communicate these events via e-mail to the E-mail List. Any such OASIS posting or e-mail communication may be limited by confidentiality and CEII requirements. To the extent possible and subject to confidentiality and CEII requirements, study results or other information to be discussed at an EPE planning meeting will be posted with the meeting notice to facilitate Stakeholder preparation and constructive comments from the meeting participants.

   b. Meeting Reports. Reports resulting from planning meetings will be posted on EPE's OASIS; however only public information will be posted. In order to permit all Stakeholders access to the information, E-mail List recipients will also receive either copies of the non-public information or information on how to access it, to the greatest extent possible consistent with any applicable

confidentiality and CEII requirements.

c. Meeting Format. The planning meetings will be informal and will be facilitated by a representative from EPE System Planning to encourage an open and transparent process and exchange of information. Accommodations will be made for phone bridges.

II. Subregional Coordination – SWAT

A. Overview

EPE will coordinate its transmission planning efforts over the WestConnect footprint, a region encompassing a large number of interconnected transmission owners in the Western and Southwestern United States, with SWAT. EPE will continue to participate in the subregional SWAT transmission planning process to ensure that EPE's planning data and assumptions are coordinated with the SWAT subregional transmission plan, which in turn is coordinated with the other subregional groups, such as Colorado Coordinated Planning Group ("CCPG") and the Sierra Coordinated Planning Group ("Sierra"), to produce the ten year WestConnect transmission plan covering the WestConnect footprint.

B. SWAT's Role in the Subregional Transmission Planning Process

1. SWAT's Role. SWAT is tasked with bringing transmission planning information together and sharing updates on active projects. SWAT is comprised of both footprint-wide and smaller geographically-based work groups, which are overseen by the SWAT Oversight Committee. SWAT neither conducts nor has a role in conducting economic studies. The geographically-based work groups address transmission planning issues within their geographic areas.

2. SWAT Participation. Participation within SWAT and related work groups is open to all interested Stakeholders on a voluntary basis. EPE will participate in SWAT and relevant SWAT work groups (such as the NM work group, AZ/NM work group and the Southern Arizona Transmission System work group) and will submit its Plan to the relevant work group. EPE's Plan, including the Stakeholder data and projects originating from EPE's local planning process and included in its Plan, will ultimately be incorporated within the regional transmission plan of WestConnect in accordance with the regional transmission planning provisions of this Attachment K. EPE will incorporate any applicable information, data or study results from SWAT into the EPE planning process. EPE Stakeholders are encouraged to participate in SWAT and related work

groups. These groups provide an open forum where (i) any party interested in the planning of the transmission system in the SWAT footprint, which includes Arizona, New Mexico, and parts of California, Nevada, and Texas, can go to obtain information regarding base cases, plans, and projects and provide input regarding their needs as they relate to the transmission system, (ii) project sponsors can introduce their specific projects, including projects of sponsors of transmission solutions, generation solutions and solutions utilizing demand resources or other non-transmission alternatives, to interested stakeholders and potential partners and (iii) initiation of joint studies of these projects, coordination with other projects, and project participation, including ownership from other interested parties, may occur.

3. EPE Assistance. Upon request by a Stakeholder, EPE will assist the Stakeholder to contact the appropriate SWAT work group representatives for transmission planning purposes.

4. SWAT Meetings. The SWAT work groups meet or have conference calls on a regular basis. These meetings and conference calls are open to all Stakeholders and are posted on the WestConnect website (www.westconnect.com). The SWAT Oversight Committee conducts four open meetings per calendar year, generally one each quarter.

III. Coordination at the Regional Level with WECC/TEPPC and the Development of a Regional Transmission Plan by WestConnect

A. Role of WECC

1. As a member of WECC, EPE will participate in the WECC/TEPPC planning process, as appropriate and pursuant to its agreement with WECC and WECC's procedures, to ensure data and assumptions are coordinated within the Western Interconnection-wide economic studies. These economic studies are conducted by WECC/TEPPC in an open stakeholder process through regular region-wide stakeholder meetings. Stakeholders may review the WECC/TEPPC planning process and protocols on the WECC website (see "EPE URL Master List").

2. WECC develops and maintains the Western Interconnection-wide data bases that EPE and other parties utilize for power flow and stability studies. EPE submits its planning data, including Stakeholder data and projects originating from EPE's local planning process and included in its Plan, to the WECC data base.

3. WECC develops, through the NERC and WECC processes, all regional reliability criteria that are used by EPE in its planning studies. These criteria are posted on the WECC website (see "EPE URL Master List").

B. Role of TEPPC. EPE will coordinate economic studies through WECC's TEPPC, as further described in Section I.A.5 above (Economic Planning Study Requests). In relation to the EPE transmission planning process, EPE will work with TEPPC, which (i) develops and maintains the west-wide economic study database that may be used to run economic congestion studies and is compiled from publicly available data, (ii) performs economic planning studies though a regular study cycle described in the TEPPC protocols (see "EPE URL Master List") in which TEPPC updates databases and develops and approves a study plan that includes customer high priority economic study requests determined by the open TEPPC stakeholder process, and (iii) documents the study results in a report.

1. Stakeholders must be a member of WECC or execute a WECC confidentiality agreement to obtain the actual system models that enable the running of congestion studies.

2. Stakeholders may find more detail on TEPPC and its Transmission Planning Protocol on the WECC website (see "EPE URL Master List").

C. The Development of a Regional Transmission Plan in Accordance with FERC Order No. 1000 Principles in the WestConnect Planning Region

1. Overview

EPE participates in the regional planning process mandated in FERC Order No. 1000 through its participation in the WestConnect planning region ("WestConnect Planning Region"). The WestConnect Planning Region is defined by the transmission owner and transmission provider members (sometimes referred to generally in this Section III.C and in Section VI) as "transmission owners") participating in the WestConnect regional transmission planning process and for whom WestConnect is conducting regional transmission planning ("Regional Planning Process"). The service areas of the transmission owners consist of all or portions of nine states: Arizona, Colorado, Montana, New Mexico, Nebraska, South Dakota, Texas, Utah and Wyoming. Non-public utilities are invited to participate in the Regional Planning Process as Enrolled Transmission Owners or in another membership sector for which they are eligible.

The purpose of the WestConnect Regional Planning Process is to produce a

regional transmission plan (the "Regional Plan") and provide a process for evaluating projects submitted for cost allocation in accordance with the provisions of this Attachment K and those business practices adopted by WestConnect in the WestConnect Regional Planning Process Business Practice Manual, as may be amended from time to time, posted on the WestConnect website www.westconnect.com (the "Business Practice Manual").

2. WestConnect Planning Participation Agreement

Following the effective date of EPE's September 20, 2013 Order No. 1000 compliance filing ("Effective Date"), as well as the effective dates of the compliance filings of other FERC-jurisdictional transmission providers in the WestConnect Planning Region, the WestConnect Order No. 1000 regional transmission planning management committee (the "Planning Management Committee" or "PMC") will be responsible for administering the Regional Planning Process. In order to align its regional process with the western interregional coordination process, it is WestConnect's intent to begin its biennial process in even-numbered years. Should FERC acceptance of WestConnect's compliance filing result in an effective date in an odd-numbered year, WestConnect will conduct an abbreviated planning process in its first year and begin its biennial process the next year. To effectuate such an abbreviated process, the PMC will develop a study scope for the first year, including project submission deadlines, and post it to the WestConnect website within the first thirty (30) days of the year.

In connection with creating the new PMC, the WestConnect members, in consultation with interested stakeholders, will establish a separate project agreement (the "Planning Participation Agreement") to permit interested stakeholders to participate in the Regional Planning Process. Although the Regional Planning Process is open to the public, stakeholders interested in having a voting right in decisions related to the Regional Planning Process will be required to execute the Planning Participation Agreement and any necessary confidentiality agreements.[1] The Planning Management Committee will implement the Regional Planning Process, which will result in a Regional Plan for the ten-year transmission planning cycle.[2]

[1] If the Planning Participation Agreement is terminated, the requirement of becoming a signatory to the Planning Participation Agreement also terminates. In that situation, it would no longer be necessary for an entity to execute the Planning Participation Agreement before engaging in the WestConnect regional planning process, because the PMC will cease

performing its functions under this Attachment K upon termination of the Planning Participation Agreement.

[2] Because the rights and responsibilities of the PMC terminate when the Planning Participation Agreement terminates, EPE, as a Transmission Provider subject to Order No. 1000 compliance, will have to satisfy its regulatory compliance through other means. At that time, EPE will make an appropriate filing with the Commission to demonstrate its continued compliance with Order No. 1000.

Each WestConnect member will be a signatory to the Planning Participation Agreement, which will formalize the members' relationships and establish obligations among them, including Enrolled Transmission Owner coordination of regional transmission planning among the WestConnect participants and the local transmission planning processes and produce a Regional Plan.

EPE has been a party to the WestConnect Project Agreement for Subregional Transmission Planning ("WestConnect STP Project Agreement") for purposes of coordinating the local transmission plan of EPE with those developed through subregional and regional transmission planning processes. The committees formed under the WestConnect STP Project Agreement and the WestConnect Steering Committee have no authority over the PMC and the PMC's decisionmaking in implementing the Regional Planning Process.

3. Enrollment

WestConnect has two types of members: (a) transmission owners that enroll in WestConnect in order to comply with the Commission's Order No. 1000 planning and cost allocation requirements, and (b) stakeholders who wish to have voting input on the methodologies, studies, and decisions made in the execution of those Order No. 1000 requirements.

a. Joining the WestConnect Planning Region

A transmission owner that wishes to join the WestConnect Planning Region may do so by executing the Planning Participation Agreement and paying its share of costs as provided for in the Planning Participation Agreement.

A stakeholder that wishes to have voting input may join the WestConnect Planning Region by executing the Planning Participation Agreement,

paying annual dues, and complying with applicable provisions as outlined in such agreement. For further information regarding membership dues, please see the WestConnect Planning Participation Agreement, located on the WestConnect website (www.westconnect.com/planning_agreement) and on file with FERC.

b. Exiting the WestConnect Planning Region

Should an Enrolled Transmission Owner wish to exit the WestConnect Planning Region, it must submit notice in accordance with the Planning Participation Agreement and pay its share of any WestConnect Planning Region expenditures approved prior to the effective date of the formal notice of withdrawal from the WestConnect Planning Region.

Should a stakeholder wish to exit the WestConnect Planning Region, it may do so by providing notice in accordance with the Planning Participation Agreement. Withdrawing stakeholders forfeit any monies or dues paid to the Planning Management Committee and agree to remit to the Planning Management Committee any outstanding monies owed to WestConnect prior to the effective date of such withdrawal.

c. List of Enrolled Entities

Transmission owners enrolled in the WestConnect Planning Region for purposes of Order No. 1000:

- Arizona Public Service Company
- Basin Electric Power Cooperative
- Black Hills Colorado Electric, LLC
- Black Hills Power, Inc.
- Cheyenne Light, Fuel, and Power Company
- Deseret Generation & Transmission Co-operative
- El Paso Electric Company
-
- Public Service Company of Colorado
- Public Service Company of New Mexico
- Tri-State Generation and Transmission Association, Inc.
- Tucson Electric Power Company
- UNS Electric, Inc.

4. WestConnect Objectives and Procedures for Regional Transmission Planning

The Regional Planning Process will produce a Regional Plan that complies with existing FERC Order No. 890 principles carried forward in Order No. 1000:

- Coordination
- Openness
- Transparency
- Information exchange
- Comparability
- Dispute Resolution

EPE, along with the other Planning Participation Agreement signatories, will work through the regional planning group processes, as applicable, to integrate transmission plans into a single, ten-year Regional Plan for the WestConnect Planning Region by:

a. Actively coordinating development of the Regional Plan, including incorporating information, as appropriate, from all stakeholders;

b. Coordinating, developing and updating common base cases to be used for all study efforts within the Regional Planning Process and ensuring that each plan adheres to the methodology and format developed for the Regional Plan;

c. Providing funding for the Planning Participation Agreement planning management functions pursuant to the Planning Participation Agreement;

d. Maintaining a regional planning section on the WestConnect website (www.westconnect.com) where all WestConnect planning information, including meeting notices, meeting minutes, reports, presentations, and other pertinent information is posted;

e. Posting on the WestConnect website detailed notices of all regional planning meeting agendas; and

f. Establishing a cost allocation process for regional transmission projects selected in the Regional Planning Process for cost allocation.

5. Roles in the Regional Transmission Planning Process

a. WestConnect PMC Role

The PMC is responsible for bringing transmission planning information together and sharing updates on active projects. The PMC provides an open forum where any stakeholder interested in the planning of the regional transmission system in the WestConnect footprint can participate and obtain information regarding base cases, plans, and projects and provide input or express its needs as they relate to the transmission system. On a biennial basis and in coordination with its members and other interested stakeholders, the PMC will develop the Regional Plan. The PMC, after considering the data and comments supplied by customers, Enrolled Transmission Owners, and other stakeholders, is to develop a Regional Plan that treats similarly-situated customers (e.g., network, and native load) comparably in transmission system planning.

The Planning Management Committee is charged with development and approval of the Regional Plan. The Planning Management Committee will be comprised of representatives from each stakeholder sector. The Planning Management Committee will be empowered to create and dissolve subcommittees as necessary to facilitate fulfillment of its responsibilities in developing the Regional Plan.

b. Stakeholder Participation and Assistance

Stakeholders may participate in the Regional Planning Process by any one or more of the following ways: (a) by joining one of five WestConnect regional transmission planning membership sectors described below; (b) by attending publicly-posted WestConnect regional transmission planning stakeholder meetings; and/or (c) by submitting project proposals for consideration and evaluation in the Regional Planning Process.

Attendance at meetings is open to all interested stakeholders. These meetings will include discussion of models, study criteria and assumptions, and progress updates. Formal participation, including voting as allowed by the process, can be achieved through payment of applicable fees and annual dues in accordance with the Planning Participation Agreement. Enrolled Transmission Owners will not be responsible for annual dues because they will be the default source of funding to support WestConnect activities beyond dues paid by other organizations.

WestConnect Planning Region members will assist stakeholders interested in becoming involved in the Regional Planning Process by directing them to appropriate contact persons and websites. All stakeholders are

encouraged to bring their plans for future generators, loads or transmission services to the WestConnect regional planning meetings. Each transmission planning cycle will contain a period during which project ideas are accepted for potential inclusion in that cycle's Regional Plan.

c. Forum for Evaluation

The WestConnect Regional Planning Process provides a forum for transmission project sponsors to introduce their specific projects to interested stakeholders and potential partners and allows for joint study of these projects by interested parties, coordination with other projects, and project participation, including ownership from other interested parties. This may include evaluation of transmission alternatives or non-transmission alternatives in coordination with the Regional Planning Process.

d. Stakeholder Meetings

WestConnect will hold open stakeholder meetings on at least a semi-annual basis, or as needed and noticed by the Planning Management Committee with thirty (30) days advanced notice to update stakeholders about its progress in developing the Regional Plan and to solicit input regarding material matters of process related to the Regional Plan. Notice for such meetings will be posted on the WestConnect website and sent via e-mail to the Regional Planning Process e-mail distribution list.

The meeting agendas for all WestConnect transmission planning meetings will be sufficiently detailed, posted on the WestConnect website, and circulated in advance of the meetings in order to allow stakeholders the ability to choose their meeting attendance most efficiently.

6. <u>WestConnect Planning Governance Process</u>

a. Membership Sectors

The Regional Planning Process will be governed by the Planning Management Committee, which will be tasked with executing the Regional Planning Process and will have authority for approving the Regional Plan. For those entities desiring to be a part of the management of the Regional Planning Process, one of five Planning Management Committee stakeholder sectors is available:

- Enrolled Transmission Owners

- Transmission Customers
- Independent Transmission Developers and Owners
- State Regulatory Commissions
- Key Interest Groups

Only transmission owners that have load serving obligations individually or through their members may join the Enrolled Transmission Owners membership sector. The Enrolled Transmission Owners sector will be comprised of those transmission owners that enroll in the WestConnect Planning Region for purposes of compliance with Order No. 1000.

Except for Public Utilities that are required to comply with Order No. 1000, any entity may join any membership sector for which it qualifies, but may only participate in one membership sector at a time. Additionally, if a member of the Enrolled Transmission Owners sector owns transmission facilities located in another planning region, the PMC will not perform the function of regional planning for such facilities located in another planning region.

b. Planning Management Committee

The Planning Management Committee will be empowered to create and dissolve subcommittees as necessary to ensure timely fulfillment of its responsibilities; to assess fees for membership status on the Planning Management Committee; and to assess fees for projects submitted for evaluation as part of the Regional Planning Process. The Planning Management Committee is to manage the Regional Planning Process, including approval of the Regional Plan that includes application of regional cost allocation methods.

The PMC is to coordinate and have the decision-making authority over whether to accept recommendations from the Planning Subcommittee ("PS") and Cost Allocation Subcommittee ("CAS"). The PMC, among other things, is to develop and approve the Regional Plan based on recommendations from the PS and CAS; and develop and approve a scope of work, work plan, and periodic reporting for WestConnect planning functions, including holding a minimum of two stakeholder informational meetings per year. The PMC is to appoint the chair of the PS and CAS. The chair for each subcommittee must be a representative of the Enrolled Transmission Owners member sector.

The PS responsibilities include, but are not limited to, reviewing and making recommendations to the PMC for development of study plans, establishing base cases, evaluating potential solutions to regional transmission needs, producing and recommending the Regional Plan for PMC approval and coordinating with the CAS. The PS is to provide public notice of committee meetings and provide opportunities for stakeholders to provide comments on the process and proposed plan.

The CAS responsibilities include, but are not limited to, performing and/or overseeing the performance of the cost allocation methodology. The CAS also is to review and make recommendations to the PMC for modifying definitions of benefits and cost allocation methodology as necessary to meet WestConnect planning principles on identification of beneficiaries and cost allocation. The CAS is to review and recommend projects to the PMC for purposes of cost allocation identified in the Regional Planning Process. The CAS is to provide public notice of committee meetings and provide opportunities for stakeholders to provide comments on the process and proposed cost allocation.

All actions of the Planning Management Committee (including approval of the Regional Plan) will be made possible by satisfying either of the following requirements:

- 75% of the members voting within at least three sectors approve a motion, where one of the three sectors approving is the Enrolled Transmission Owners sector; or

- 75% of the members voting within the four member sectors other than the Enrolled Transmission Owners sector approve a motion, and where two-thirds (2/3) of the members voting within the Enrolled Transmission Owners sector also approve the same motion.

Each entity within a membership sector is entitled to one vote on items presented for decision.

Any closed executive sessions of the PMC will be to address matters outside of the development of the Regional Planning Process, including matters involving contracts, personnel, financial matters, or legal matters such as, but not limited to, litigation (whether actual or threatened).

7. Submission of Data by Customers, Transmission Developers, and Transmission Owners

When stakeholder feedback on modeling assumptions is requested, the data submittal period for such feedback will be established by the PMC. In all cases, requests for submittal of data from WestConnect members and stakeholders will be followed by a data submittal window lasting no less than thirty (30) days from the date of such requests. In addition, consistent with the Regional Planning Process, any interested stakeholder may submit project ideas for consideration in the Regional Plan without a need for that stakeholder's project to qualify for a project submittal for purposes of cost allocation. Specific project submittals are treated differently than generalized project ideas. For any project submittal seeking study by the PMC in the Regional Planning Process to address a regional need identified by the PMC (without regard to whether the project seeks cost allocation), a project submittal deposit will be collected and made subject to later true-up based upon the actual cost of the study(ies) performed. Project submittals are to be accepted through the fifth (5th) quarter of the planning cycle (or first (1st) quarter of the second (2nd) year), and are addressed in Section III.C.8 of this Attachment K. A timeline detailing the timing and notice for submission of information and input can be found in Exhibit 3 of this Attachment K.

a. Transmission Customers

Transmission customers shall generally submit their load forecast and other relevant data through the WestConnect Planning Region member's (for example, EPE's) local transmission planning process. However, from time to time, there may be a need for transmission customers participating in the Regional Planning Process to submit data directly to WestConnect. This data may include, but is not limited to, load forecasts, generation resource plans, demand side management resources, proposed transmission upgrade recommendations, and feedback regarding certain assumptions in the planning process.

No less than thirty (30) days notice will be given for customers to submit any required data and data submissions will generally be able to be made via e-mail or by posting information to a designated website.

b. Independent Transmission Developers and Owners

Transmission developers are entities with project ideas they wish to submit into the Regional Planning Process. These may include project submittals that the developer wishes to be considered to address an identified regional need (whether or not the project is eligible for regional cost allocation).

Each regional transmission planning cycle will include a submission period for project ideas, as described below. Notice of the submission period will be posted on the WestConnect website and will also be made via e-mail to WestConnect stakeholders. The submission period will last for no less than thirty (30) days and during this time, any entity that wishes to submit a transmission project for consideration in the Regional Planning Process to address an identified regional need may do so.

Projects proposed by Independent Transmission Developers and Owners are subject to the same reliability standards as projects submitted by Enrolled Transmission Owners. The project developer shall register with NERC and WECC in accordance with the applicable registration rules in the NERC Rules of Procedure. In addition, project developers shall observe and comply with regional requirements as established by the applicable regional reliability organizations, and all local, state, regional, and federal requirements.

The Independent Transmission Developers and Owners sector does not include public utilities subject to Order No. 1000, which can only participate in WestConnect as Enrolled Transmission Owners.

c. Merchant Transmission Developers

Merchant transmission developers are entities pursuing completion of projects that do not wish to have their projects considered for regional cost allocation. Nonetheless, coordination between merchant projects and the Regional Planning Process is necessary to effect a coordinated Regional Plan that considers all system needs.

Each regional transmission planning cycle will include a submission period for project submittals to address an identified regional need, as described below. Notice of the submission period will be posted on the WestConnect website and will also be made via e-mail to WestConnect stakeholders. In addition, it is necessary for merchant transmission developers to provide adequate information and data to allow the PMC to assess the potential reliability and operational impacts of the merchant transmission developer's proposed transmission facilities on other systems in the region. The submission period will last for no less than thirty (30) days and during this time sponsors of merchant transmission projects that are believed to impact the WestConnect Planning Region will be asked to provide certain project information.

Projects proposed by Merchant Transmission Developers are subject to the same reliability standards as projects submitted by Enrolled Transmission Owners. The project developer is responsible for properly registering with NERC and WECC in accordance with the applicable registration rules in the NERC Rules of Procedure. In addition, project developers shall observe and comply with regional requirements as established by the applicable regional reliability organization and all local, state, regional, and federal requirements.

d. Enrolled Transmission Owners

Enrolled Transmission Owners that are members of the WestConnect Planning Region are responsible for providing all necessary system information through the Regional Planning Process.

At the beginning of each regional transmission planning cycle, Enrolled Transmission Owners that are participating in the WestConnect Regional Planning Process will be responsible for verifying the accuracy of any data (including, but not limited to, system topology and project proposal information) they have previously submitted. Enrolled Transmission Owners will also be required to submit all relevant data for any new projects being proposed for inclusion in the Regional Plan to address an identified regional need in accordance with the section below. Enrolled Transmission Owners will also be responsible for submitting any project plans developed through their local transmission planning processes for inclusion in the Regional Plan models.

8. Transmission Project Submittals

All submittals of transmission projects to address an identified regional need, without regard to whether or not the project seeks regional cost allocation, are to contain the information set forth below, together with the identified deposit for study costs, and be submitted timely within the posted submittal period in order for the project submittal to be eligible for evaluation in the Regional Planning Process. A single project submittal may not seek multiple study requests. To the extent a project proponent seeks to have its project studied under a variety of alternative project assumptions, the individual alternatives must be submitted as individual project submittals. To be eligible to propose a project for selection in the Regional Plan a project proponent must also be an active member in good standing within one of the five PMC membership sectors described above in Section III.C.3.

- Submitting entity contact information
- Explanation of how the project is a more efficient or cost effective solution to regional transmission needs*
- A detailed project description including, but not limited to, the following:
    - Scope
    - Points of interconnection to existing (or planned) system
    - Operating Voltage and Alternating Current or Direct Current status
    - Circuit Configuration (Single, Double, Double-Circuit capable, etc.)
    - Impedance Information
    - Approximate circuit mileage
- Description of any special facilities (series capacitors, phase shifting transformers, etc.) required for the project
- Diagram showing geographical location and preferred route; general description of permitting challenges
- Estimated Project Cost and description of basis for that cost*
- Any independent study work of or relevant to the project
- Any WECC study work of or relevant to the project
- Status within the WECC path rating process
- The project in-service date
- Change files to add the project to a standard system power flow model
- Description of plan for post-construction maintenance and operation of the proposed line
- A $25,000 deposit to support the cost of relevant study work, subject to true-up (up or down) based upon the actual cost of the study(ies).* The true-up will include interest on the difference between the deposit and the actual cost, with such interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations. A description of the costs to which the deposit was applied, how the costs were calculated, and an accounting of the costs will be provided to each project sponsor within 30 calendar days of the completion of the study. Dispute resolution is addressed pursuant to Section V.B.
- Comparison Risk Score from WECC Environmental Data Task Force, if available
- Impacts to other regions. The applicant must provide transmission system impacts studies showing system

reliability impacts to neighboring transmission systems or another transmission planning region. The information should identify all costs associated with any required upgrades to mitigate adverse impacts on other transmission systems. *

If impact studies and costs are not available at the time of submittal, the project proponent may request that impact studies be performed, at the project proponent's expense, as part of the analysis to determine whether the project is the more efficient or cost effective solution. Requests for transmission system impact studies are approved through the PMC depending on whether the project proponent provides funding for the analysis. The PMC is to provide, subject to appropriate confidentiality and CEII restrictions, the information in the possession of the PMC that the applicant needs to perform the transmission system impact study and to identify the costs associated with any upgrades required to mitigate adverse impacts.

* Merchant transmission developers are exempt from these requirements marked by asterisk.

There is to be an open submission period for project proposals to address identified regional needs. Notice of the submission period will be posted on the WestConnect website and will also be made via e-mail to WestConnect stakeholders. The submission period will last for no less than thirty (30) days and will end by the fifth (5^{th}) quarter of the WestConnect planning cycle (or first (1^{st}) quarter of the second (2^{nd}) year of the planning cycle). Proposals submitted outside that window will not be considered. The Planning Management Committee will have the authority to determine the completeness of a project submittal. Project submittals determined incomplete will be granted a reasonable opportunity to cure any deficiencies identified in writing by the Planning Management Committee.

Any stakeholder wishing to present a project submittal to address an identified regional need shall be required to submit the data listed above to be considered in the Regional Planning Process. Should the submitting stakeholder believe certain information is not necessary, it will identify the information it believes is not necessary and provide a justification for its omission. The Planning Management Committee retains the sole authority for determining completeness of the information submittal. After the completion of the project submittal period, the PMC will post a document

on the WestConnect website detailing why any projects were rejected as incomplete. Upon posting of the document, any project submittal rejected as incomplete will be given a reasonable opportunity to cure the reason(s) it was rejected to the satisfaction of the Planning Management Committee in its sole discretion.

9. Submission of Non-Transmission Alternative Projects

Any stakeholder may submit projects proposing non-transmission alternatives to address an identified regional need for evaluation under the Regional Planning Process. The submission period will last for no less than thirty (30) days. The submission window will end by the fifth (5^{th}) quarter of the WestConnect planning cycle (or first (1^{st}) quarter of the second (2^{nd}) year of the planning cycle). The following criteria must be satisfied in order for a non-transmission alternative project submittal to be evaluated under the Regional Planning Process:

- Basic description of the project (fuel, size, location, point of contact)
- Operational benefits
- Load offset, if applicable
- Description of the issue sought to be resolved by the generating facility or other non-transmission alternative, including reference to any results of prior technical studies
- Network model of the project flow study
- Short-circuit data
- Protection data
- Other technical data that might be needed for resources
- Project construction and operating costs
- Additional miscellaneous data (e.g., change files, if available)

As with entities submitting a transmission project under Section III.C.8, those who submit under Section III.C.9 a non-transmission alternative under the Regional Planning Process must adhere to and provide the same or equivalent information (and deposit for study costs) as transmission alternatives. Should the submitting stakeholder believe certain information is not necessary, it shall identify the information it believes is not necessary and shall provide a justification for its conclusion that the information is not necessary. Although non-transmission alternative projects will be considered in the Regional Planning Process, they are not eligible for regional cost allocation.

10. The WestConnect Regional Planning Cycle

The WestConnect regional transmission planning cycle is biennial. The WestConnect Planning Management Committee will develop and publish a Regional Plan every other year.

11. Overview of the Regional Planning Methodology and Evaluation Process

The Regional Planning Process is intended to identify regional needs (which are the transmission needs of more than one Enrolled Transmission Owner) and more efficient or cost-effective solutions to satisfy those needs. Consistent with Order No. 890, qualified projects timely submitted through the Regional Planning Process will be evaluated and selected from competing solutions and resources such that all types of resources, as described below, are considered on a comparable basis. The same criteria and evaluation process will be applied to competing solutions and/or projects, regardless of type or class of stakeholder proposing them. Where a regional transmission need is identified, the PMC is to perform studies that seek to meet that need through regional projects, even in the absence of project proposals advanced by stakeholders or projects identified through the WECC process. When the PMC performs a study to meet an identified regional need in circumstances where no stakeholder has submitted a project proposal to meet that regional need, the PMC is to pursue such studies in a not unduly discriminatory fashion. The study methods employed for PMC-initiated studies will be the same types of study methods employed for stakeholder-initiated studies (see, e.g., Section III.C.12 addressing the use of NERC Transmission Planning (TPL) Reliability Standards for regional reliability projects, Section III.C.13 addressing the use of production cost modeling for regional economic projects, and Section III.C.14 addressing the identification of Public Policy Requirements for regional public policy driven projects).

The solution alternatives will be evaluated against one another on the basis of the following criteria to select the preferred solution or combination of solutions: (1) ability to practically fulfill the identified need; (2) ability to meet applicable reliability criteria or NERC Transmission Planning Standards issues; (3) technical, operational and financial feasibility; (4) operational benefits/constraints or issues; (5) cost-effectiveness over the time frame of the study or the life of the facilities, as appropriate (including adjustments, as necessary, for operational benefits/constraints or issues, including dependability); (6) where applicable, consistency with Public Policy Requirements, or regulatory requirements, including cost recovery through regulated rates; and (7) a project must be determined by the Planning Management Committee to be a more efficient or cost-effective solution to one or more regional transmission needs to be eligible for

regional cost allocation, as more particularly described below.

The Regional Planning Process provides for an assessment of regional solutions falling in one or more of the following categories:

a. Regional reliability solutions.
b. Regional economic solutions
c. Regional transmission needs driven by Public Policy Requirements.
d. Non-transmission alternatives

EPE encourages all interested stakeholders to consult the Business Practice Manual for additional details regarding the planning process, timing, and implementation mechanics. A flow chart depicting the Regional Planning Process is attached as Exhibit 2.

All WestConnect Enrolled Transmission Owners shall be responsible for submitting their local transmission plans for inclusion in the Regional Plan in accordance with the timeline stated in the Business Practice Manual. Those individual plans will be included in the Regional Plan base case system models.

12. WestConnect Reliability Planning Process

Once the base case is established and verified, the PMC is to perform a regional reliability assessment in which the base case system models will then be checked for adherence to the relevant NERC Transmission Planning Standards through appropriate studies, including, but not limited to, steady-state power flow, voltage, stability, short circuit, and transient studies, as more specifically outlined in the Business Practice Manual. If a reliability violation is identified in the power flow process, the violation will be referred back to the appropriate Enrolled Transmission Owner.

The PMC will identify projects to resolve any regional violations of relevant NERC or WECC Transmission Planning Reliability Standards or WECC criteria that impact more than one Enrolled Transmission Owner. In addition, as part of the Regional Planning Process, an opportunity will be afforded to any interested party to propose regional reliability projects that are more efficient or cost effective than other proposed solutions. The PMC will then identify the more efficient or cost effective regional transmission project that meets the identified regional transmission need, taking into account factors such as how long the project will take to complete, and the timing of the need. Because local transmission owners

are ultimately responsible for compliance with NERC Reliability Standards and for meeting local needs, the local transmission plans will not be modified; however, the PMC may identify more efficient or cost effective regional transmission projects. As seen in Exhibit 3 of this Attachment K, the PMC will perform the regional reliability assessment and, if necessary, identify a regional need for transmission projects to resolve any violations that impact more than one Enrolled Transmission Owner in the fourth (4th) quarter of the planning cycle.

13. WestConnect Economic Planning Process

As part of the Regional Planning Process, the PMC is to analyze whether there are projects that have the potential to reduce the total delivered cost of energy by alleviating congestion or providing other economic benefits to transmission systems of Enrolled Transmission Owners located within the WestConnect Planning Region through production cost modeling. This analysis also is to utilize WECC Board-approved recommendations to further investigate congestion within the WestConnect Planning Region for congestion relief or economic benefits that have subsequently been validated by WestConnect. Additional projects may also be proposed by WestConnect stakeholders or developed through the stakeholder process for evaluation of economic benefits. Under the Regional Planning Process, the PMC is to identify more efficient or cost effective regional transmission projects, but will not modify local transmission plans.

The WestConnect economic planning process will analyze benefits via detailed production cost simulations. The models employed in the production cost simulations will appropriately consider the impact of transmission projects on production cost and system congestion. The WestConnect economic planning process will also consider the value of decreased reserve sharing requirements in the development of a Regional Plan that is more efficient or cost effective. As seen in Exhibit 3 of this Attachment K, the PMC will develop the production cost modeling analysis in the second (2nd) and third (3rd) quarters of the planning cycle and identify economic transmission projects in the sixth (6th) quarter and parts of the fifth (5th) and seventh (7th) quarters of the planning cycle.

14. WestConnect Public Policy Planning Process

a. Procedures for Identifying Regional Transmission Needs Driven by Public Policy Requirements

It is anticipated that any regional transmission need that is driven by Public

Policy Requirements will be addressed initially within the local planning cycles of the individual Enrolled Transmission Owners in the WestConnect Planning Region (through the consideration of local transmission needs driven by a Public Policy Requirement, since a Public Policy Requirement is a requirement that is imposed upon individual Enrolled Transmission Owners (as opposed to a requirement that is imposed on a geographic region). For those Public Policy Requirements that affect more than one Enrolled Transmission Owner in the WestConnect Planning Region, a solution identified at the local level to satisfy the local needs of the affected Enrolled Transmission Owner(s), may also satisfy a regional transmission need identified by the PMC for the WestConnect Planning Region.

WestConnect Enrolled Transmission Owners that are planning consistent with Order No. 890 will continue to conduct local transmission planning processes (Section I of this Attachment K), which provide a forum for discussions on local transmission needs driven by Public Policy Requirements. These local processes provide the basis for the individual transmission owners' local transmission plans, which are then incorporated into the regional base case at the start of the Regional Planning Process under Order No. 1000.

The PMC is to provide notice on the WestConnect website of both regional transmission planning meetings convened by the PMC for the WestConnect region, and local transmission planning meetings of the individual Enrolled Transmission Owners in the WestConnect region.

The PMC will begin the evaluation of regional transmission needs driven by Public Policy Requirements by identifying any Public Policy Requirements that are driving local transmission needs of the Enrolled Transmission Owners in the WestConnect Planning Region, and including them in the transmission system models (the regional base case) underlying the development of the Regional Plan. Then, the PMC will seek the input of stakeholders in the WestConnect region on those Public Policy Requirements in an effort to engage stakeholders in the process of identifying regional transmission needs driven by Public Policy Requirements. The PMC will communicate with stakeholders through public postings on the WestConnect website of meeting announcements and discussion forums. In addition, the PMC is to establish an email distribution list for those stakeholders who indicate a desire to receive information via electronic list serves.

After allowing for stakeholder input on regional transmission needs driven by Public Policy Requirements and regional solutions to those needs, as part of the Regional Planning Process, the PMC is to identify in the Regional Plan those regional transmission needs driven by Public Policy

Requirements that were selected by the PMC for evaluation of regional solutions.

In selecting those regional transmission needs driven by Public Policy Requirements that will be evaluated for regional solutions in the current planning cycle, the PMC is to consider, on a non-discriminatory basis, factors, including but not limited to, the following:

(i) whether the Public Policy Requirement is driving a regional transmission need that can be reasonably identified in the current planning cycle;

(ii) the feasibility of addressing the regional transmission need driven by the Public Policy Requirement in the current planning cycle;

(iii) the factual basis supporting the regional transmission need driven by the Public Policy Requirement; and

(iv) whether a Public Policy Requirement has been identified for which a regional transmission need has not yet materialized, or for which there may exist a regional transmission need but the development of a solution to that need is premature.

No single factor shall necessarily be determinative in selecting among the potential regional transmission needs driven by Public Policy Requirements.

The process by which PMC is to identify those regional transmission needs for which a regional transmission solution(s) will be evaluated, out of what may be a larger set of regional transmission needs, is to utilize the communication channels it has in place with stakeholders, identified above (open meetings and discussion forums convened by the PMC), through which regional transmission needs driven by Public Policy Requirements are to be part of the open dialogue.

b. Procedures for Identifying Solutions to Identified Regional Transmission Needs Driven by Public Policy Requirements

Stakeholders are to have opportunities to participate in discussions during the Regional Planning Process with respect to the development of solutions to regional transmission needs driven by Public Policy Requirements. Such participation may take the form of attending planning meetings, offering comments for consideration by the PMC on solutions to regional

needs driven by Public Policy Requirements, and offering comments on proposals made by other stakeholders or by the PMC. Stakeholders that are members of the WestConnect PMC are performing the function of regional transmission planning, and, developing regional solutions to identified regional transmission needs driven by Public Policy Requirements through membership on subcommittees of the PMC.

After allowing for stakeholder input on solutions to regional transmission needs driven by Public Policy Requirements, as part of the Regional Planning Process, the PMC is to identify in the Regional Plan those regional transmission solutions driven by Public Policy Requirements that were selected by the PMC and any regional transmission project(s) that more efficiently or cost-effectively meet those needs.

The procedures for identifying and evaluating potential solutions to the identified regional transmission needs driven by Public Policy Requirements are the same as those procedures used to evaluate any other project proposed in the local planning process and/or Regional Planning Process, whether or not submitted for purposes of cost allocation.

The PMC will perform a Public Policy Requirements analysis to help identify if a transmission solution is necessary to meet an enacted public policy. For a transmission need driven by Public Policy Requirements, the PMC will identify if a more efficient or cost effective regional transmission solution exists based upon several different considerations, including consideration of whether the project is necessary and capable of meeting transmission needs driven by Public Policy Requirements, while also:

i. Efficiently resolving any criteria violations identified by studies pursuant to any relevant NERC Transmission Planning (TPL) Reliability Standards for regional reliability projects or WECC Transmission Planning Reliability Standards or WECC criteria, as applicable, that could impact more than one Enrolled Transmission Owner as a result of a Public Policy Requirement,

or

ii. Producing economic benefits shown through detailed production cost simulations. The models employed in the production cost simulations will appropriately consider the impact of transmission projects on

production cost, system congestion and the value of decreased reserve sharing requirements.

The PMC will develop the public policy analysis in the sixth (6^{th}) quarter and parts of the fifth (5^{th}) and seventh (7^{th}) quarters of the planning cycle.

c. Proposed Public Policy

A public policy that is proposed, but not required (because it is not yet enacted or promulgated by the applicable governmental authority) may be considered through Section III.C.13 (WestConnect Economic Planning Process) of this Attachment K, if time and resources permit.

d. Posting of Regional Transmission Needs Driven by Public Policy Requirements

WestConnect will maintain on its website (i) a list of all regional transmission needs identified that are driven by Public Policy Requirements and that are included in the studies for the current regional transmission planning cycle; and (ii) an explanation of why other suggested regional transmission needs driven by Public Policy Requirements will not be evaluated.

15. Consideration of Non-Transmission Alternatives in the Regional Planning Process

Non-transmission alternatives submitted for evaluation in the Regional Planning Process will be evaluated to determine if they will provide a more efficient or cost-effective solution to an identified regional transmission need. Non-transmission alternatives include, without limitation, technologies that defer or possibly eliminate the need for new and/or upgraded transmission lines, such as distributed generation resources, demand side management (load management, such as energy efficiency and demand response programs), energy storage facilities and smart grid equipment that can help eliminate or mitigate a grid reliability problem, reduce uneconomic grid congestion, and/or help to meet regional grid needs driven by Public Policy Requirements. Non-transmission alternatives are not eligible for regional cost allocation.

16. Approval of the WestConnect Regional Transmission Plan

The Cost Allocation Subcommittee is to submit, for review and comment, the results of its project benefit/cost analysis and beneficiary determination

to the PMC Chair and to the identified beneficiaries of the transmission projects proposed for cost allocation. The PMC shall make available to its Members sufficient information to allow for a reasonable opportunity to comment on the proposed selection. The PMC shall not make a determination on the project benefit/cost analysis and beneficiary determination until it has reviewed all comments. Upon approval of the PMC, the project benefit/cost analysis and beneficiary identifications shall be posted by the PMC on the WestConnect website.

Upon completion of the process outlined above, the Planning Management Committee will vote on whether to accept the proposed plan. The Regional Plan will document why projects were either included or not included in the Regional Plan. In addition, the Regional Plan is to describe the manner in which the applicable regional cost allocation methodology was applied to each project selected in the Regional Plan for purposes of cost allocation. Participant funded projects and other types of projects may be included in the Regional Plan; however, those projects are not eligible for regional cost allocation.

17. Project Reevaluation

The Planning Management Committee is the governing body responsible for deciding whether to reevaluate the Regional Plan to determine if the conditions, facts and/or circumstances relied upon in initially selecting a transmission project for inclusion in the Regional Plan for purposes of cost allocation have changed and, as a result, require reevaluation. Reevaluation will begin within the second planning cycle following the Effective Date. The Regional Plan and any project selected for cost allocation in the Regional Plan, including any local or single-system transmission projects or planned transmission system upgrades to existing facilities selected for purposes of cost allocation, shall be subject to reevaluation in each subsequent planning cycle according to the criteria below. Upon reevaluation, the Regional Plan and any projects selected for purposes of cost allocation in connection therewith may be subject to modification, including the status as a project selected for cost allocation, with any costs reallocated under Section VI as if it were a new project. Only the PMC has the authority to modify the status of a transmission project selected for cost allocation. Conditions that trigger reevaluation are:

- The underlying project characteristics and/or regional or interregional needs change in the Regional Plan. Examples include, but are not limited to: (a) a project's failure to

secure a developer, or a developer's failure to maintain the qualifications necessary to utilize regional cost allocation, or (b) a change (increase or decrease) in the identified beneficiaries of a project (which changes may occur through company acquisitions, dissolutions or otherwise), (c) a change in the status of a large load that contributes to the need for a project, or (d) projects affected by a change in law or regulation;

- Projects that are delayed and fail to meet their submitted in-service date by more than two (2) years. This includes projects delayed by funding, regulatory approval, contractual administration, legal proceedings (including arbitration), construction delays, or other delays;
- Projects with significant project changes, including, but not limited to kilovolt (kV), megavolt ampere (MVA), or path rating, number of circuits, number of transmission elements, or interconnection locations; and
- Projects with a change in the calculation of benefits or benefit/cost ("B/C") ratio that may affect whether the project selected for inclusion in the Regional Plan for purposes of cost allocation is a more efficient or cost effective regional solution.

    - Example 1: Where an increase in the selected project's costs, including but not limited to, material, labor, environmental mitigation, land acquisition, operations and maintenance, and mitigation for identified transmission system and region, causes the total project costs to increase above the level upon which the project was initially selected for inclusion in the Regional Plan for purposes of cost allocation, the inclusion of the regional project in the Regional Plan will be reevaluated to determine if the regional project continues to satisfy the region's B/C ratio and can be found to be a more efficient or cost effective solution under current cost information.

    - Example 2: A selected project's benefits may include identification of a reliability benefit in the form of remedying a violation of a Reliability Standard. If the identified beneficiary implements improvements, such as a Remedial Action Scheme, to achieve reliability in compliance with the Reliability Standard at issue, inclusion of the regional project in the regional plan will be reevaluated to determine if the

regional project continues to satisfy the region's B/C ratio and can be found to be a more efficient or cost effective solution under current benefit information.

- Example 3: Where a project's estimated benefits include benefits in the form of avoided costs (e.g., a regional project's ability to avoid a local project), and the project is not avoided, the inclusion of the regional project in the Regional Plan will be reevaluated to determine if the regional project continues to satisfy the region's B/C ratio and can be found to be a more efficient or cost effective solution under current facts and circumstances.

Projects selected for purposes of cost allocation will continue to be reevaluated until all the following conditions have been met.

- State and federal approval processes completed and approved (including cost recovery approval under section 205 of the Federal Power Act as applicable);

- All local, state and federal siting permits have been approved; and

- Major construction contracts have been issued.

When the Regional Plan is reevaluated as a result of any of the conditions triggering reevaluation addressed above, the PMC is to determine if an evaluation of alternative transmission solutions is needed in order to meet an identified regional need. In doing so, the PMC is to use the same processes and procedures it used in the identification of the original transmission solution to the regional need. If an alternative transmission solution is needed, the incumbent transmission owner may propose one or more solutions that it would implement within its retail distribution service territory or footprint, and if such proposed solution is a transmission facility, the transmission owner may submit the project for possible selection in the Regional Plan for purposes of cost allocation.

Projects not subject to reevaluation include, but are not limited to, the following:

- Local or single system transmission projects that have been identified in individual transmission provider's transmission planning (TPL) standards compliance assessments to mitigate

reliability issues and that have not been proposed for (and selected by the PMC for) regional cost allocation; and

- Planned transmission system upgrades to existing facilities that have not been proposed for (and selected by the PMC for) regional cost allocation.

Projects meeting any of the following criteria as of the Effective Date of the WestConnect FERC-jurisdictional transmission owners' Order No. 1000 compliance filings also will not be subject to reevaluation under the Regional Planning Process:

- Projects of transmission owners who have signed the Planning Participation Agreement and that have received approval through local or state regulatory authorities or board approval;
- Local or single system transmission projects that have been planned and submitted for inclusion in the Regional Plan or exist in the 10-year corporate capital project budgets; and
- Projects that are undergoing review through the WECC Project Coordination and Rating Review Process as of the Effective Date.

18. Confidential or Proprietary Information

Although the Regional Planning Process is open to all stakeholders, stakeholders will be required to comply at all times with certain applicable confidentiality measures necessary to protect confidential information, proprietary information or CEII. From time to time, the regional transmission planning studies and/or open stakeholder meetings may include access to base case data that are WECC proprietary data, information classified as CEII, or other similar confidential or proprietary information. In such cases, access to such confidential or proprietary information shall be limited to only those stakeholders that (i) hold membership in and/or execute a non-disclosure agreement with WECC; (ii) execute a non-disclosure agreement with the applicable WestConnect Planning Region members; and/or (iii) are parties to the Planning Participation Agreement, as may be applicable.

Any entity wishing to access confidential information, subject to applicable standards of conduct requirements, discussed in the Regional Planning Process must execute an NDA, and submit it to NDA@westconnect.com. The NDA can be accessed on the WestConnect website.

IV. Recovery of Planning Costs

Unless EPE allocates planning-related costs to an individual Stakeholder as permitted under the Tariff, all costs incurred by EPE related to EPE's Transmission Planning process or the sub-regional or regional planning process (including the interregional activities set forth in Section VII) shall be included in the EPE transmission rate base or recorded as O&M expenses, as applicable.

V. Dispute Resolution

A. In the event of a dispute concerning either a procedural or substantive matter within the jurisdiction of FERC, the following dispute resolution processes will apply:

1. WECC. If the dispute is one that is within the scope of the WECC dispute resolution procedures, then such procedures will apply.

2. Non-WECC disputes. For disputes not within the scope of the WECC dispute resolution procedures, and for disputes not between or among the members of the WestConnect Planning Management Committee (which disputes will be subject to separate dispute resolution provisions set forth in the Planning Participation Agreement), the dispute resolution procedures set forth in Section 12 of EPE's OATT will apply, with the added provision that upon agreement of the parties, any dispute that is not resolved by direct negotiation between or among the affected parties within a reasonable period of time, may be referred to mediation (before or during arbitration), and all applicable timelines will be suspended until such time as the mediation process terminates (unless otherwise agreed by the parties). Notwithstanding that the dispute resolution procedures under Section 12 of EPE's OATT apply only to EPE and Transmission Customers, Section 12 of EPE's OATT will be deemed to be applicable to Stakeholders for purposes of this Attachment K, except as otherwise provided herein.

3. Notwithstanding anything to the contrary in this Section V, any affected party may refer the matter to FERC for resolution at any time, for example, by filing with FERC a complaint, a request for declaratory order or a change in rate.

B. For disputes between members of the PMC, the following dispute resolution procedures are to apply:

1. The disputing PMC member(s) initiates its dispute by providing written notification to the PMC (or a designated sub-committee of the PMC) in accordance with the provisions of the Planning Participation Agreement, in which event the PMC will seek to resolve the dispute through discussion,

negotiation and the development of a recommended course of action. The PMC may act to adopt a resolution recommended by its own committee members or sub-committees, or alternatively the disputing parties may act to refer the dispute to arbitration for resolution.

2. A dispute may be referred to arbitration under the governing provisions of the Planning Participation Agreement.

3. The availability of the dispute resolution avenues identified above does not eliminate a disputing PMC member's(s') right under the Federal Power Act to refer either a procedural or substantive matter within the jurisdiction of FERC to FERC for resolution, for example by filing with FERC a complaint, a request for declaratory order or a change in rate.

VI. Cost Allocation for New Projects

A. EPE will utilize a case-by-case approach to allocate costs for new projects. This approach will be based on the following principles:

1. Open Season Solicitation of Interest. For any project identified in an EPE planning study (for reliability and/or economic projects) in which EPE is the project sponsor, EPE may elect to provide an "open season" solicitation of interest to secure additional project participants. Upon a determination by EPE to hold an open season solicitation of interest for a project, EPE will:

   a. Announce and solicit interest in the project through informational meetings, its website and/or other means of dissemination as appropriate.

   b. Hold meetings with interested parties and meetings with public utility staffs from potentially affected states.

   c. Post information *via* WECC's planning project review reports.

   d. Develop the initial project specifications, the initial cost estimates and potential transmission line routes; guide negotiations and assist interested parties to determine cost responsibility for initial studies; guide the project through the applicable line siting processes; develop final project specifications and costs; obtain commitments from participants for final project cost shares; and secure execution of construction and operating agreements.

2. EPE Coordination within a Solicitation of Interest Process. EPE, whether as a project sponsor or a participant, will coordinate as necessary with any other participant or sponsor, as the case may be.

3. EPE Projects without a Solicitation of Interest. EPE may elect to proceed with small and/or reliability projects without an open season solicitation of interest, in which case EPE will proceed with the project pursuant to its rights and obligations as a Transmission Provider.

4. Allocation of Costs

   a. Proportional Allocation. For any project entered into where an open season solicitation process has been used, project costs and associated transmission rights would generally be allocated proportionally to project participants subject to approval of the participation agreement by FERC. In the event the open season process results in a single participant, the full cost and transmission rights will be allocated to that participant.

   b. Economic Benefits or Congestion Relief. For a project wholly on the EPE system that is undertaken for economic reasons or congestion relief at the request of a Requester, the project costs will be allocated to the Requester.

   c. EPE Rate Recovery. Notwithstanding the foregoing provisions, EPE will not assume cost responsibility for any project if the cost of the project is not reasonably expected to be recoverable in its retail and/or wholesale rates.

   d. Exclusions. The cost for projects undertaken in connection with requests for interconnection or transmission service on the EPE system, each of which are governed by existing cost allocation methods within EPE's OATT, will continue to be so governed and will not be covered by the principles above.

B. Local Transmission Projects

Local Transmission Projects are projects located within a transmission owner's retail distribution service territory or footprint unless such projects are submitted and selected in the Regional Plan for purposes of cost allocation.[2] A transmission owner is not precluded from proposing Local Transmission Projects for inclusion in the Regional Plan for purposes of cost allocation in the Regional Planning Process. A Local Transmission Project that is not submitted or not selected for inclusion in

the Regional Plan is not eligible for cost allocation in the Regional Plan and not subject to the provisions governing regional cost allocation set forth below. [2. The reference to a transmission owner's "footprint" refers to the electrical footprint of the transmission owner (i.e., the location of that transmission owner's electrical assets) and not necessarily to the physical/spatial footprint. Where a transmission owner within the WestConnect Planning Region is a transmission-only company with no retail distribution service territory, the term, footprint, would refer to the location of the transmission facilities of such transmission-only company.]

For any transmission project where EPE is the sole owner or such project is to be built within or for the benefit of the existing EPE system such as local, small and/or reliability transmission projects, EPE will proceed with the project pursuant to its rights and obligations as a Transmission Provider for the local area. Any projects necessary to ensure the reliability or that provide economic benefits to the EPE system and which fall outside the requirements for inclusion in the Regional Plan for purposes of cost allocation are eligible to be considered Local Transmission Projects.

EPE may share ownership, and associated costs, of any new transmission project, based upon mutual agreement between the parties. Such a joint ownership arrangement may arise because of existing joint ownership of facilities in the area of the new facilities, overlapping service territories, or other relevant considerations.

C. Regional Transmission Projects

For any project determined by the Planning Management Committee to be eligible for regional cost allocation, project costs and associated transmission rights will be allocated proportionally to those entities determined by the Planning Management Committee, as shown in the Regional Plan, to be beneficiaries of the project (s) in the WestConnect Planning Region, as identified in this Attachment K, subject to the processes set forth in Sections III through VI.

The Planning Management Committee, with input from the CAS, is to determine whether a project is eligible for regional cost allocation, and assesses the project's costs against its benefits in accordance with the following factors:

- Benefits and beneficiaries will be identified before cost allocation methods are applied.
- Cost assignments shall be commensurate with estimated benefits.
- Those that receive no benefits shall not be involuntarily assigned costs.
- A benefit-to-cost threshold of not more than 1.25 shall be used, as applicable, so that projects with significant benefits are not excluded.

- Costs shall be allocated solely within the WestConnect Planning Region, unless other entities or regions voluntarily assume costs.
- Costs for upgrades on neighboring transmission systems or other planning regions that are (i) required to be mitigated by the WECC Path Rating process, FERC tariff requirements, or NERC Reliability Standards, or (ii) negotiated among interconnected parties will be included in the total project costs and used in the calculation of B/C ratios.
- Cost allocation method and data shall be transparent and with adequate documentation.
- Different cost allocation methods may be used for different types of projects.

Specifically, the Planning Management Committee will consider the following projects eligible for cost allocation consideration as further described below based on specified criteria:

- Reliability projects;
- Economic or congestion relief projects; or
- Public policy projects.

Only projects that fall within one or more of these three categories and satisfy the cost-to-benefit analyses and other requirements, as specified herein, are eligible for cost allocation in the WestConnect Planning Region. EPE encourages all interested stakeholders to consult the Business Practice Manual for additional details regarding the assessment for eligibility for regional cost allocation. Summary provisions are provided below:[3]

[3] References to "transmission owners" in the cost allocation provisions are to transmission owners for whom the Planning Management Committee is performing the function of regional transmission planning. At present, those transmission owners are ETO members.

1. Allocation of Costs for Reliability Projects

In order to allocate costs to transmission owners for system reliability improvements that are necessary for their system to meet the NERC TPL Standards, the WestConnect cost allocation procedure will allocate costs for system reliability improvements only when a system improvement is required to comply with the NERC TPL Reliability Standards during the planning horizon.

All components of a transmission owner's local transmission plan will be included in the Regional Plan and will be considered Local Transmission Projects that are not eligible for regional cost allocation. A system performance analysis will be performed on the collective plans to ensure the combined plans adhere to all relevant NERC TPL Reliability Standards, and stakeholders will be afforded an opportunity to propose projects that are more efficient or cost effective than components of multiple transmission owner local plans as outlined in Section III.C.12 above.

Should a reliability issue be identified in the review of the included local transmission plan, the project necessary to address that reliability issue will be included in the Regional Plan and the cost will be shared by the utilities whose load contributed to the need for the project.

Should multiple utilities have separate reliability issues that are addressed more efficiently or cost effectively by a single regional project, that regional project will be approved for selection in the Regional Plan and the cost shared by those transmission owners in proportion to the cost of alternatives that could be pursued by the individual transmission owners to resolve the reliability issue. The ultimate responsibility for maintaining system reliability and compliance with NERC Transmission Planning Standards rests with each transmission owner.

The costs for regional reliability projects will be allocated according to the following equation:

(1 divided by 2) times 3 equals 4

Where:

1 is the cost of local reliability upgrades necessary to avoid construction of the regional reliability project in the relevant transmission owner's retail distribution service territory or footprint

2 is the total cost of local reliability upgrades in the combination of transmission owners' retail distribution service territories or footprints necessary to avoid construction of the regional reliability project

3 is the total cost of the regional reliability project

4 is the total cost allocated to the relevant transmission owner's

retail distribution service territory or footprint

The manner in which the PMC applied this methodology to allocate the costs of each regional reliability project shall be described in the Regional Plan.

2. Allocation of Costs for Economic Projects

Cost allocation for economic projects associated with congestion relief that provide for more economic operation of the system will be based on the calculation of economic benefits that each transmission owner system will receive. Cost allocation for economic projects shall include scenario analyses to ensure that benefits will actually be received by beneficiaries with relative certainty. Projects for which benefits and beneficiaries are highly uncertain and vary beyond reasonable parameters based on assumptions about future conditions will not be selected for cost allocation.

In order for a project to be considered economically justified and receive cost allocation associated with economic projects, the project must have a B/C ratio that is greater than 1.0 under each reasonable scenario evaluated and have an average ratio of at least 1.25 under all reasonable scenarios evaluated. The B/C ratio shall be calculated by the PMC. This B/C ratio will be determined by calculating the aggregate load-weighted benefit-to-cost ratio for each transmission system in the WestConnect Planning Region. The benefits methodology laid out below ensures that the entities that benefit the most from the completion of an economic project are allocated costs commensurate with those project benefits.

The cost of any project that has an aggregate 1.25 B/C ratio or greater will be divided among the transmission owners that show a benefit based on the amount of benefits calculated to each respective transmission owner. For example, if a $100 million dollar project is shown to have $150 million in economic benefit, the entities for which the economic benefit is incurred will be determined. The cost of the project will then be allocated to those entities, based on the extent of each entity's economic benefits relative to the total project benefits. This will ensure that each entity that is allocated cost has a B/C ratio equal to the total project B/C ratio. For example:

- Project with $150 million in economic benefit and $100 million in cost
    - Company 1 has $90 million in benefits; Company 2 has $60 million in benefits

- Company 1 allocation: 90/150 (100) = $60 million
- Company 1 B/C ratio: 90/60 = 1.5
- Company 2 allocation: 60/150 (100) = $40 million
- Company 2 B/C ratio: 60/40 = 1.5

Other than through the reevaluation process described in Section III.C.17 of this Attachment K, the benefits and costs used in the evaluation shall only be calculated during the planning period and shall be compared on a net present value basis.

The WestConnect economic planning process will consider production cost savings and reduction in reserve sharing requirements as economic benefits capable of contributing to the determination that a project is economically justified for cost allocation. Production cost savings are to be determined by the PMC performing a product cost simulation to model the impact of the transmission project on production costs and congestion. Production cost savings will be calculated as the reduction in production costs between a production cost simulation with the project included compared to a simulation without the project. Reductions in reserve sharing requirements are to be determined by the PMC identifying a transmission project's impact on the reserve requirements of individual transmission systems, and not on the basis of the project's collective impact on a reserve sharing group, as a whole. The production cost models are to appropriately consider the hurdle rates between transmission systems. The following production cost principles may be applied:

- The production cost savings from a project must be present in each year from the project in-service date and extending out at least ten (10) years.
- Cost savings must be expressed in present-value dollars and should consider the impact of various fuel cost forecasts.
- The production cost study must account for contracts and agreements related to the use of the transmission system (this refers to paths in systems that might be contractually limited but not reliability limited).
- The production cost study must account for contracts and agreements related to the access and use of generation (this refers to generators that might only use spot purchases for fuel rather than firm purchases, or generation that has been designated as network resources for some entities and thus cannot be accessed at will by non-owners).

Access by stakeholders to the PMC's application of its regional cost allocation method for a specific economic transmission project is available in several ways: First, stakeholders that are members of the PMC will

have firsthand knowledge of the way in which the regional method was applied to a particular project because the PMC is responsible for performing the application of the regional cost allocation method. Second, stakeholders that choose not to become members of the PMC may access such information through the WestConnect regional stakeholder process. See Section III.C of this Attachment K. Third, the manner in which the PMC applied this methodology to allocate the costs of each economic project shall be described in the Regional Plan.

In determining which entities will be allocated costs for economic projects, WestConnect will compare the economic value of benefits received by an entity with the cost of the project to ensure that each entity allocated cost receives a benefit/cost ratio equal to the aggregate load-weighted benefit-to-cost ratio. These costs allocated to each company will be calculated based on the following equation:

(1 divided by 2) times 3 equals 4

Where:

1 is the total projected present value of economic benefits for the relevant transmission owner

2 is the total projected present value of economic benefits for the entire project

3 is the total cost of the economic project

4 is the total cost allocated to the relevant transmission owner

Any transmission owner with benefits less than or equal to one percent of total project benefits will be excluded from cost allocation. Where a project satisfies the B/C ratio, and is determined to provide benefits less than or equal to one percent of total project benefits to an identified transmission owner, such benefits will be re-allocated to all other identified beneficiaries on a pro rata basis, in relation to each entity's share of total project benefits.

3. Allocation of Costs for Public Policy Projects

Any transmission system additions that arise from Public Policy requirements, as defined by the Regional Planning Process, will be included in the system models used for the WestConnect transmission system

studies. Further, any additional system needs that arise from proposed public policy will be reported by each entity for its own service territory. Decisions on the inclusion of those needs will be made during the consideration and approval of the system models. Regional transmission needs driven by Public Policy Requirements will be included in the evaluation of reliability and economic projects.

Except for projects proposed through a transmission owner's local planning process, arising out of a local need for transmission infrastructure to satisfy Public Policy Requirements that are not submitted as projects proposed for cost allocation (which are addressed elsewhere in this Attachment K), any projects arising out of a regional need for transmission infrastructure to satisfy Public Policy Requirements will be considered public policy projects eligible for evaluation in the Regional Planning Process.

Stakeholders may participate in identifying regional transmission needs driven by Public Policy Requirements. After seeking the input of stakeholders pursuant to the stakeholder participation provisions of Section III, the PMC is to determine whether to move forward with the identification of a regional solution to a particular regional need driven by Public Policy Requirements. Stakeholders may participate in identifying a regional solution to a regional need driven by Public Policy Requirements pursuant to the stakeholder participation provisions of Section III, or through membership on the PMC itself. After seeking the input of stakeholders, the PMC is to determine whether to select a particular regional solution in the Regional Plan for purposes of cost allocation. The identification of beneficiaries of these projects will be the entities that will access the resources enabled by the project in order to meet their Public Policy Requirements.

If an entity accesses resources that were enabled by a prior public policy project, that entity will need to either share in its relative share of the costs of that public policy project or acquire sufficient transmission service rights to move the resources to its load with the determination left up to the entity or entities that were originally allocated the cost for the public policy project.

The costs for public policy projects will be allocated according to the following equation:

(1 divided by 2) times 3 equals 4

Where:

1 is the number of megawatts of public policy resources enabled by the public policy project for the entity in question

2 is the total number of megawatts of public policy resources enabled by the public policy project

3 is the total project cost

4 is the cost for the public policy project allocated to the entity in question

The process to interconnect individual generation resources is provided for under the generator interconnection section of each utility's OATT and not under this process.

Requests for transmission service that originate in a member's system and terminate at the border shall be handled through that member's OATT. Regional transmission needs necessary to meet Public Policy Requirements will be addressed through the Public Policy Requirements section of the Regional Planning Process.

The manner in which the PMC applied this methodology to each public policy project will be described in the Regional Plan.

4. Combination of Benefits

In developing a more efficient or cost effective plan, it is possible for the plan to jointly consider multiple types of benefits when approving projects for inclusion in the Regional Plan. The determination to consider multiple types of benefits for a particular project will be made through the WestConnect stakeholder process, in which interested stakeholders are given an opportunity to provide input as set forth in Section III of this Attachment K. In determining whether a project would provide multiple benefits, the PMC is to categorize the benefits as (a) necessary to meet NERC Transmission Planning Reliability Standards (reliability); (b) achieving production cost savings or a reduction in reserve sharing requirements (economic); or (c) necessary to meet transmission needs driven by Public Policy Requirements, as applicable, using the methods set forth in this Attachment K. The PMC will identify all three categories of benefits in its regional cost allocation process. If a project cannot pass the cost allocation threshold for any one of the three benefit categories, alone (reliability, economic or public policy), the sum of benefits from each

benefit category may be considered, as follows:

- With respect to a reliability-driven regional transmission project, the quantified benefits of the project to each identified beneficiary must be greater, by a margin of 1.25 or more to 1, than the result of the equation identified in Section VI.C.1 above (where the result is shown as item 4 in the formula).
- With respect to an economic-driven regional transmission project, the quantified benefits of the project to each identified beneficiary must be greater than the project's cost to each beneficiary under each reasonable scenario evaluated, and must yield an average ratio of at least 1.25 to 1 under all reasonable scenarios evaluated, as described in Section VI.C.2 above.
- With respect to a Public Policy Requirements-driven regional transmission project, the quantified benefits of the project to each identified beneficiary must be greater, by a margin of 1.25 or more to 1, than the result of the equation identified in Section VI.C.3 above (where the result is shown as item 4 in the formula).

If a single regional transmission project is determined to provide benefits in more than one category, but does not meet the cost threshold for any single category, the PMC may consider the sum of benefits from each benefit category to determine if the regional transmission project provides, in total, benefits per beneficiary that meet or exceed the region's 1.25 to 1 benefit to cost ratio. To illustrate, consider the following example where a regional project developed to provide public policy requirement benefits might also provide for economic benefits to the same beneficiaries:

> A regional project submittal has undergone analysis for its quantifiable benefits and costs and is determined to cost $100 million and produce benefits to identified beneficiaries in two categories: economic benefits of $101 million (on average, under all economic scenarios quantified), and public policy requirement benefits of $70 million. The project is found to fail the cost threshold for each category, individually, but when the total benefits are combined and the project's total regional benefits per beneficiary are weighed against the project's total costs per beneficiary, the project can be found to meet or surpass the region's 1.25 to 1 benefit to cost ratio per beneficiary:
>
> - The benefits to Beneficiary A of pursuing the regional solution (60% of the regional project's total $171 million in benefits) = $102.6 million. When $102.6 million in project benefits is

compared against $60 million in project costs (60% of project costs), it yields a B/C ratio of 1.71 to 1 for Beneficiary A.

- The benefits to Beneficiary B of pursuing the regional solution (40% of the regional project's total $171 million in benefits) = $68.4 million. When $68.4 million in project benefits is compared against $40 million in project costs (40% of project costs), it yields a B/C ratio of 1.71 to 1 for Beneficiary B.

Even though the regional project does not pass the cost allocation threshold in any individual benefit category, the PMC may consider the sum of the project's benefits in all categories.

For those regional projects that satisfy the region's cost allocation threshold, the PMC then will continue its evaluation process by considering whether the regional project meets the region's identified reliability, economic and Public Policy Requirements-driven needs more efficiently or cost-effectively than solutions identified by individual transmission providers in their local transmission planning processes.

The costs for projects that rely upon multiple types of benefits to secure inclusion in the Regional Plan for purposes of cost allocation will be shared according to the amount of cost that is justified by each type of benefit.

5. Transmission Developer Qualification Criteria

1. In General

A transmission developer that seeks to be eligible to use the regional cost allocation methodology for a transmission project selected in the Regional Plan for purposes of cost allocation must identify its technical and financial capabilities to develop, construct, own, and operate a proposed transmission project. To be clear, satisfaction of the criteria set forth below does not confer upon the transmission developer any right to:

(i) construct, own, and/or operate a transmission project,
(ii) collect the costs associated with the construction, ownership and/or operation of a transmission project,
(iii) provide transmission services on the transmission facilities constructed, owned and/or operated.

The applicable governing governmental authorities are the only entities empowered to confer any such rights to a transmission developer. The PMC is not a governmental authority.

2. Information Submittal

A transmission developer seeking eligibility for potential designation as the entity eligible to use the regional cost allocation for a transmission project selected in the Regional Plan for purposes of cost allocation must submit to the PMC the following information during the first quarter of the WestConnect planning cycle, except that during the first WestConnect planning cycle the PMC shall have the discretion to extend the period for the submission of this information:

a) Overview
A brief history and overview of the applicant demonstrating that the applicant has the capabilities to finance, own, construct, operate and maintain a regional transmission project consistent with Good Utility Practice within the state(s) within the WestConnect Planning Region. The applicant should identify all transmission projects it has constructed, owned, operated and/or maintained, and the states in which such projects are located.

b) Business Practices
A description of the applicant's experience in processes, procedures, and any historical performance related to engineering, constructing, operating and maintaining electric transmission facilities, and managing teams performing such activities. A discussion of the types of resources, including relevant capability and experience (in-house labor, contractors, other transmission providers, etc.) contemplated for the licensing, design, engineering, material and equipment procurement, siting and routing, Right-of-Way (ROW) and land acquisition, construction and project management related to the construction of transmission projects. The applicant should provide information related to any current or previous experience financing, owning, constructing, operating and maintaining and scheduling access to regional transmission facilities.

c) Compliance History

The applicant should provide an explanation of any violation(s) of NERC and/or Regional Entity Reliability Standards and/or other regulatory requirements pertaining to the development, construction, ownership, operation, and/or maintenance of electric transmission facilities by the applicant or any parent, owner, affiliate, or member of the applicant that is an Alternate Qualifying Entity(ies) under Section VI.C.5. Notwithstanding the foregoing, if at the time the applicant submits the information required by this Section VI.C.5, the applicant has not developed, constructed, owned, operated or maintained electric transmission facilities, the applicant shall instead submit such information for any electric distribution or generating facilities it develops, constructs owns, operates and/or maintains, as applicable, to demonstrate its compliance history.

d) Participation in the Regional Planning Process
A discussion of the applicant's participation within the Regional Planning Process or any other planning forums for the identification, analysis, and communication of transmission projects.

e) Project Execution
A discussion of the capability and experience that would enable the applicant to comply with all on-going scheduling, operating, and maintenance activities associated with project development and execution.

f) Right-of-Way Acquisition Ability
The applicant's preexisting procedures and historical practices for siting, permitting, landowner relations, and routing transmission projects including, acquiring ROW and land, and managing ROW and land acquisition for transmission facilities. Any process or procedures that address siting or routing transmission facilities through environmentally sensitive areas and mitigation thereof. If the entity does not have such preexisting procedures, it shall provide a detailed description of its plan for acquiring ROW and land and managing ROW and land acquisition.

g) Financial Health
The applicant must demonstrate creditworthiness and adequate capital resources to finance transmission projects.

The applicant shall either have an investment grade credit rating from both S&P and Moody's or provide corporate financial statements for the most recent five years for which they are available. Entities that do not have a credit rating, or entities less than five years old, shall provide corporate financial statements for each year that is available. Alternatively, the applicant may provide a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the PMC.

The following ratios must be provided with any explanations regarding the ratios:

- Funds from operations-to-interest coverage.
- Funds from operation-to-total debt.
- Total debt-to-total capital.
- The applicant must indicate the levels of the above ratios the company will maintain during and following construction of the transmission element.

The PMC may request additional information or clarification as necessary.

h) Safety Program

The applicant must demonstrate that they have an adequate internal safety program, contractor safety program, safety performance record and has executed its safety program.

i) Transmission Operations

The applicant must: demonstrate that it has the ability to undertake control center operations capabilities, including reservations, scheduling, and outage coordination; demonstrate that it has the ability to obtain required path ratings; provide evidence of its NERC compliance process and compliance history, as applicable; demonstration of any existing required NERC certifications or the ability to obtain any applicable NERC certifications; establish required Total Transfer Capability; provide evidence of storm/outage response and restoration plans; provide evidence of its record of past reliability performance, as applicable; and provide a statement of which entity will be operating completed transmission facilities and will be responsible for staffing, equipment, and crew training. A potential transmission

developer will not be required to have an operations entity under contract at the time it seeks to be eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

j) Transmission Maintenance
The applicant must demonstrate that they have, or have plans to develop, an adequate transmission maintenance program, including staffing and crew training, transmission facility and equipment maintenance, record of past maintenance performance, NERC compliance process and any past history of NERC compliance or plans to develop a NERC compliance program, statement of which entity will be performing maintenance on completed transmission facilities. A potential transmission developer will not be required to have a maintenance entity under contract at the time it seeks to be eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

k) Regulatory Compliance
The applicant must demonstrate the ability, or plans to develop the ability, to comply with Good Utility Practice, WECC criteria and regional reliability standards, NERC Reliability Standards, construction standards, industry standards, and environmental standards.

l) Affiliation Agreements
A transmission developer can demonstrate that it meets these criteria either on its own or by relying on an entity or entities with whom it has a corporate affiliation or other third-parties with relevant experience (Alternate Qualifying Entity(ies)). In lieu of a contractual or affiliate relationship with one or more Alternate Qualifying Entity(ies) and to the extent a transmission developer intends to rely upon third-parties for meeting these criteria, the transmission developer must provide, in attestation form, an identification of its preferred third-party contractor(s) and indicate when it plans to enter into a definitive agreement with its third-party contractor(s). Such affidavits shall not be viewed as binding statements of intent by third-parties. If the transmission developer seeks to satisfy the criteria in whole or in part by relying on one or more Alternate Qualifying Entity(ies), the transmission

developer must submit: (1) materials demonstrating to the PMC's satisfaction that the Alternate Qualifying Entity(ies) meet(s) the criteria for which the transmission developer is relying upon the Alternate Qualifying Entity(ies) to satisfy; and (2) a commitment to provide in any project cost allocation application an executed agreement that contractually obligates the Alternate Qualifying Entity(ies) to perform the function(s) for which the transmission developer is relying upon the Alternate Qualifying Entity(ies) to satisfy.

m) WestConnect Membership
A transmission developer must be a member of either the WestConnect Enrolled Transmission Owners or Independent Transmission Developers and Owners sector, or must agree to join the WestConnect Enrolled Transmission Owners or Independent Transmission Developers and Owners sector and agree to sign the Planning Participation Agreement if the transmission developer seeks to be an entity eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

n) Other
Any other relevant project development experience that the transmission developer believes may demonstrate its expertise in the above areas.

3. Identification of Transmission Developers Satisfying the Criteria

a) Notification to Transmission Developer

No later than September 30 each year, the PMC is to notify each transmission developer whether it has satisfied the stated criteria. A transmission developer failing to satisfy one or more of the qualification criteria is to be informed of the failure(s) and accorded an additional opportunity to cure any deficiency(ies) within thirty (30) calendar days of notice from the PMC by providing any additional information.

The PMC is to inform the transmission developer whether the additional information satisfies the qualification criteria within forty-five (45) calendar days of receipt of the additional information.

The PMC is to identify the transmission developers that have

satisfied the qualification criteria (the "Eligible Transmission Developers") by posting on the WestConnect website, on or before December 31 of each year.

b) Annual Recertification Process and Reporting Requirements

By June 30 of each year, each Eligible Transmission Developer must submit to WestConnect a notarized letter signed by an authorized officer of the Eligible Transmission Developer certifying that the Eligible Transmission Developer continues to meet the current qualification criteria.

The Eligible Transmission Developer shall submit to the PMC an annual certification fee equal to the amount of the WestConnect annual membership fee. If the Eligible Transmission Developer is a member of WestConnect and is current in payment of its annual membership fee, then no certification fee will be required.

If at any time there is a change to the information provided in its application, an Eligible Transmission Developer shall be required to inform the PMC chair within thirty (30) calendar days of such change so that the PMC may determine whether the Eligible Transmission Developer continues to satisfy the qualification criteria. Upon notification of any such change, the PMC shall have the option to: (1) determine that the change does not affect the status of the transmission developer as an Eligible Transmission Developer; (2) suspend the transmission developer's eligibility status until any deficiency in the transmission developer's qualifications is cured; (3) allow the transmission developer to maintain its eligibility status for a limited time period, as specified by the PMC, while the transmission developer cures the deficiency; or (4) terminate the transmission developer's eligibility status.

c) Termination of Eligibility Status

The PMC may terminate an Eligible Transmission Developer's status if the Eligible Transmission Developer: (1) fails to submit its annual certification letter; (2) fails to pay the applicable WestConnect membership fees; (3) experiences a change in its qualifications and the PMC determines that it may no longer qualify as an Eligible Transmission Developer; (4) informs the PMC that it no longer desires to be an Eligible Transmission Developer; (5) fails to notify the PMC of a change to the information provided in its

application within thirty (30) days of such change; or (6) fails to execute the Planning Participation Agreement as agreed to in the qualification criteria within a reasonable time defined by the PMC, after seeking to be an entity eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

d) Selection of a Transmission Developer for Sponsored and Unsponsored Projects

For any project (sponsored or unsponsored) determined by the PMC to be eligible for regional cost allocation and selected in the Regional Plan for purposes of cost allocation, the PMC shall select a transmission project developer according to the processes set forth in this section, provided that selection according to those processes does not violate applicable law where the transmission facility is to be built that otherwise prescribes the entity that shall develop and build the project. Any entity that, pursuant to applicable law for the location where the facilities are to be built, chooses to develop and build the project must submit a project development schedule as required by Section VI.C.7 of this Attachment K within the timeframe directed by the Business Practice Manual, not to exceed the time period for request for proposal responses.

For any project determined by the PMC to be eligible for regional cost allocation and selected in the Regional Plan for purposes of cost allocation, that is not subject to the foregoing paragraph, the PMC shall, upon posting the selected projects, issue a request for information to all Eligible Transmission Developers under Section VI.C.5 of this Attachment K soliciting their interest in developing the project(s). Each transmission developer shall respond to the request for information indicating its interest in developing the project. The PMC shall post on the WestConnect website the list of all transmission developers who responded with an expression of interest in developing the project(s). The PMC shall provide to each developer indicating interest in developing a project a request for proposals for the identified project(s) with a specified date of return for all proposals.

Each transmission developer, or partnership or joint ventures of transmission developers, shall submit information demonstrating its ability to finance, own and construct the project consistent with the guidelines for doing so set forth in the WestConnect Business Practices Manual. The PMC shall assess the submissions according

to the following process and criteria:

The evaluation of the request for proposals will be at the direction of the PMC, and will involve representatives of the beneficiaries of the proposed project(s). The evaluation will include, but not be limited to, an assessment of the following evidence and criteria.

- General qualifications of the bidding entity
- Evidence of financing/financial creditworthiness, including:
  - Financing plan (sources debt and equity), including construction financing and long-term financing
  - Ability to finance restoration/forced outages
  - Credit ratings
  - Financial statements
- Safety program and experience
- Project description, including:
  - Detailed proposed project description and route
  - Design parameters
  - Design life of equipment and facilities
  - Description of alternative project variations
- Development of project, including:
  - Experience with and current capabilities and plan for obtaining state and local licenses, permits, and approvals
  - Experience with and current capabilities and plan for obtaining any federal licenses and permits
  - Experience with and expertise and plan for obtaining rights of way
  - Development schedule
  - Development budget
- Construction, including:
  - Experience with and current capabilities and plan for project construction
  - Third party contractors
  - Procurement plan
  - Project management (cost and schedule control)
  - Construction schedule
  - Construction budget (including all construction and period costs
- Operations, including:
  - Experience with and current capabilities and plan for project operation
  - Experience with and current capabilities and plan for NERC compliance

- Security program and plan
- Storm/outage response plan
- Reliability of facilities already in operation

- Maintenance capabilities and plans for project maintenance (including staffing, equipment, crew training, and facilities)
- Project cost to beneficiaries, including:
  - Total project cost (development, construction, financing, and other non-O&M costs)
  - Operation and maintenance costs, including evaluation of electrical losses
  - Revenue requirement, including proposed cost of equity, FERC incentives, proposed cost of debt and total revenue requirement calculation
  - Present value cost of project to beneficiaries.

The PMC shall notify the developers of its determination as to which developer(s) it selected to develop the project(s) responsive to the request for proposal. The selected developer(s) must submit a project development schedule as required by Section VI.C.7 of this Attachment K.

If the PMC determines that a sponsored or unsponsored project fails to secure a developer through the process outlined in this section, the PMC shall remove the project from the Regional Plan.

After the PMC makes a determination, it will post a document on the WestConnect website within 60 days explaining the PMC's determination in selecting a particular transmission developer for a specific transmission project. The information will explain (1) the reasons why a particular transmission developer was selected or not selected, and, if applicable, (2) the reasons why a transmission project failed to secure a transmission developer.

6. Allocation of Ownership and Capacity Rights

An Eligible Transmission Developer that is subject to the Commission's jurisdiction under section 205 of the Federal Power Act may not recover project costs from identified beneficiaries in the WestConnect Planning Region without securing approval for project cost recovery from FERC through a separate proceeding brought by the Eligible Transmission Developer under section 205 of the Federal Power Act. In no event will identified beneficiaries in the WestConnect Planning Region from whom project costs are sought to be recovered under section 205 be denied either transmission transfer capability or ownership rights proportionate to their allocated costs, as determined by FERC in such proceeding. An Eligible

Transmission Developer that is not subject to the Commission's jurisdiction under section 205 of the Federal Power Act would have to seek cost recovery from identified beneficiaries in the WestConnect Planning Region either: (a) through bilateral agreements that are voluntarily entered into between such Eligible Transmission Developer and the applicable identified beneficiaries; or (b) by obtaining approval from FERC for project cost recovery pursuant to any other applicable section of the Federal Power Act.

If a project beneficiary receives transmission transfer capability on the project in exchange for transmission service payments, such project beneficiary may resell the transfer capability. Alternatively, a project beneficiary could seek to make a direct capital contribution to the project construction cost (in lieu of making transmission service payments) in which case, the project beneficiary would instead receive an ownership percentage in proportion to its capital contribution ("Ownership Proposal"). This Ownership Proposal does not create a right of first refusal for transmission beneficiaries.

An ownership alternative will only be pursued if the Eligible Transmission Developer agrees. The Eligible Transmission Developer and the beneficiaries will enter into contract negotiations to address the many details regarding the capital funding mechanics and timing, as well as other details, such as defining (as between the Eligible Transmission Developer, whether a nonincumbent or incumbent transmission developer, and those receiving ownership interests) responsibility for operations and maintenance, administrative tasks, compliance with governing laws and regulations, etc. These negotiations will take place at arm's length, without any one party having undue leverage over the other.

A transmission project beneficiary should not be expected to pay for its benefits from the project twice: once through a capital contribution, and again through transmission service payments. The Ownership Proposal permits an ownership share in a project that is in the same proportion to a beneficiary's allocable costs, which costs will have been allocated roughly commensurate with the benefits to be gained from the project. This will allow the beneficiary to earn a return on its investment. In addition, it allows those beneficiaries that may not necessarily benefit from additional transfer capability on a new transmission project, whether due to lack of contiguity to the new facilities or otherwise, to realize the benefits through an ownership option.

Any transmission project participant that is identified as a beneficiary of the project might be permitted by the Eligible Transmission Developer to

contribute capital (in lieu of transmission service payments) and receive a proportionate share of ownership rights in the transmission project. The Ownership Proposal affords an identified beneficiary who contributes toward the project costs the opportunity to obtain an ownership interest in lieu of an allocated share of the project costs through transmission service payments for transfer capability on the project; it does not, however, confer a right to invest capital in a project. The Ownership Proposal merely identifies that, to the extent it is agreed among the parties that capital may be contributed toward a transmission project's construction, a proportionate share of ownership rights will follow.

Nothing in this Attachment K with respect to Order No. 1000 cost allocation imposes any new service on beneficiaries. Similarly, nothing in this Attachment K with respect to Order No. 1000 cost allocation imposes on an Eligible Transmission Developer an obligation to become a provider of transmission services to identified beneficiaries simply as a result of a project's having been selected in the Regional Plan for purposes of cost allocation; provided, however, if that Eligible Transmission Developer seeks authorization to provide transmission services to beneficiaries or others, and to charge rates or otherwise recover costs from beneficiaries or others associated with any transmission services it were to propose, it must do so by contract and/or under separate proceedings under the Federal Power Act. The purpose of this Section VI.C.6 is to (a) provide an option to a project developer to negotiate ownership rights in the project with identified beneficiaries, if both the developer and the identified beneficiaries mutually desire to do so, and (b) specify that, although Order No. 1000 cost allocation does not impose any new service on beneficiaries, identified beneficiaries have the opportunity to discuss with the project developer the potential for entering into transmission service agreements for transmission capacity rights in the project, and (c) ensure that Order No. 1000 cost allocation does not mean that a project developer may recover project costs from identified beneficiaries without providing transmission transfer capability or ownership rights, and without securing approval for project cost recovery by contract and/or under a separate proceeding under the Federal Power Act.

If an Eligible Transmission Developer is not subject to FERC's jurisdiction under section 205 of the Federal Power Act, the Eligible Transmission Developer would have to seek to recover project costs from identified beneficiaries in the WestConnect Planning Region either: (a) through bilateral agreements that are voluntarily entered into between such Eligible Transmission Developer and the applicable identified beneficiaries; or (b) by obtaining approval from FERC for project cost recovery pursuant to any

other applicable section of the Federal Power Act.

7. Project Development Schedule

The WestConnect Planning Management Committee will not be responsible for managing the development of, any project selected for inclusion in the Regional Plan. However, after having selected a project in the Regional Plan, the Planning Management Committee will monitor the status of the project's development. If a transmission facility is selected for inclusion in the Regional Plan for purposes of cost allocation, the transmission developer of that transmission facility must submit a development schedule that indicates the required steps, such as the granting of state approvals, necessary to develop and construct the transmission facility such that it meets the regional transmission needs of the WestConnect Planning Region. As part of the ongoing monitoring of the status of the transmission project once it is selected, the transmission owners and providers in the WestConnect Planning Region shall establish the dates by which the required steps to construct must be achieved that are tied to when construction must begin to timely meet the need that the project is selected to address. If such required steps have not been achieved by those dates, then the transmission owners and providers in the WestConnect Planning Region may remove the transmission project from the selected category and proceed with reevaluating the Regional Plan to seek an alternative solution.

8. Economic Benefits or Congestion Relief

For a transmission project wholly within the Transmission Provider's local transmission system that is undertaken for economic reasons or congestion relief at the request of a Requester, the project costs will be allocated to the Requester.

9. EPE Rate Recovery

Notwithstanding the foregoing provisions, EPE will not assume cost responsibility for any project if the cost of the project is not reasonably expected to be recoverable in its retail and/or wholesale transmission rates.

10. No Obligation to Construct

The Regional Planning Process is intended to determine and recommend more efficient or cost-effective transmission solutions for the WestConnect

Planning Region. After the Regional Plan is approved, due to the uncertainty in the Regional Planning Process and the need to address cost recovery issues, the Regional Planning Process shall not obligate any entity to construct, nor obligate any entity to commit to construct any facilities, including any transmission facilities, regardless of whether such facilities are included in any plan. Nothing in this Attachment K, the Business Practice Manual or the Planning Participation Agreement, or any cost allocation under this Attachment K or the Business Practice Manual shall (1) determine any transmission service to be received by, or any transmission usage by, any entity; (2) obligate any entity to purchase or pay for, or obligate any entity to commit to purchase or pay for, any transmission service or usage; or (3) entitle any entity to recover for any transmission service or usage or to recover from any entity any cost of any transmission facilities, regardless of whether such transmission facilities are included in any plan. Without limiting the generality of the foregoing, nothing in this Attachment K, the Business Practice Manual or the Planning Participation Agreement with respect to regional cost allocation shall preclude WestConnect or any other entity from carrying out any of its statutory authorities or complying with any of its statutory obligations.

11. Binding Order No. 1000 Cost Allocation Methods

Order No. 1000 cost allocation methods as set forth in Section VI of this Attachment K are binding on identified beneficiaries in the WestConnect Planning Region, without prejudice to the following rights and obligations: (1) the right and obligation of the PMC to reevaluate a transmission facility previously selected for inclusion in the regional plan for purposes of Order No. 1000 cost allocation under Section VI.C of this Attachment K; (2) the right and obligation of a Eligible Transmission Developer to make a filing under section 205 or other applicable provision of the Federal Power Act in order to seek approval from the Commission to recover the costs of any transmission facility selected for inclusion in the regional plan for purposes of Order No. 1000 cost allocation; (3) the right and obligation of any interested person to intervene and be heard before the Commission in any section 205 or other applicable provision of proceeding initiated by an Eligible Transmission Developer, including the right of any identified beneficiaries of the transmission facility to support or protest the filing and to present evidence on whether the proposed cost recovery is or is not just and reasonable; and (4) the right and obligation of the Commission to act under section 205 or other applicable provision of the Federal Power Act to approve or deny any cost recovery sought by an Eligible Transmission

Developer for a transmission facility selected in the regional plan for purposes of Order No. 1000 cost allocation.[4]

[4] An Eligible Transmission Developer may not be subject to the Commission's section 205 jurisdiction. See Section VI.C.6. If an Eligible Transmission Developer is not subject to the Commission's jurisdiction under section 205 of the Federal Power Act, the Eligible Transmission Developer would have to seek to recover project costs from identified beneficiaries in the WestConnect Planning Region either: (a) through bilateral agreements that are voluntarily entered into between such Eligible Transmission Developer and the applicable identified beneficiaries; or (b) by obtaining approval from the Commission for project cost recovery pursuant to any other applicable section of the Federal Power Act.

12. Impacts of a Regional Project on Neighboring Planning Regions

The PMC is to study the impact(s) of a regional transmission project on neighboring transmission systems in the Western Interconnection, including the resulting need, if any, for mitigation measures in such neighboring transmission systems. If the PMC finds that a regional transmission project in the WestConnect Planning Region causes impacts on a neighboring transmission system in the Western Interconnection that requires mitigation (a) by the WECC Path Rating Process, (b) under FERC OATT requirements, (c) under NERC Reliability Standards requirements, and/or (d) under any negotiated arrangement between the interconnected entities, the PMC is to include the costs of any such mitigation measures into the regional transmission project's total project costs for purposes of determining the project's eligibility for regional cost allocation under the procedures identified in Section VI.C of this Attachment K, including application of the region's benefits-to-costs analysis.

The WestConnect Planning Region will not be responsible for compensating a neighboring planning region, transmission provider, transmission owner, Balancing Area Authority, or any other entity, for the costs of any required mitigation measures, or other consequences, on their systems associated with a regional transmission project in the WestConnect Planning Region, whether identified by the PMC or the neighboring system(s). The PMC does not direct the construction of transmission facilities, does not operate transmission facilities or provide transmission services, and does not charge or collect revenues for the performance of any transmission or other services. Therefore, in agreeing to study the impacts

of a regional transmission facility on neighboring planning regions, the PMC is not agreeing to bear the costs of any mitigation measures it identifies. However, the PMC will request of any developer of a regional transmission project selected in the Regional Plan for purposes of cost allocation that the developer design and build its project to mitigate the project's identified impacts on neighboring planning regions. If the project is identified as impacting a neighboring planning region that accords less favorable mitigation treatment to the WestConnect Planning Region than the WestConnect Planning Region accords to it, the PMC will request that the project developer reciprocate by using the lesser of (i) the neighboring region's mitigation treatment applicable to the mitigation of impacts of its own regional projects on the WestConnect Planning Region, or (ii) the PMC's mitigation treatment set forth above in sub-sections (a) through (d).

13. Exclusions

The cost for projects undertaken in connection with requests for generation interconnection or transmission service on the EPE system, each of which are governed by existing cost allocation methods within EPE's OATT, will continue to be so governed and will not be covered by the principles of this Section VI.C above.

VII. Interregional Coordination, Evaluation and Cost Allocation

This Section VII of this Attachment K sets forth common provisions, which are to be adopted by or for each Planning Region and which facilitate the implementation of Order 1000 interregional provisions. WestConnect is to conduct the activities and processes set forth in this Section VII in accordance with the provisions of this Section VII and the other provisions of this Attachment K.

Nothing in this section will preclude any transmission owner or transmission provider from taking any action it deems necessary or appropriate with respect to any transmission facilities it needs to comply with any local, state, or federal requirements.

Any Interregional Cost Allocation regarding any ITP is solely for the purpose of developing information to be used in the regional planning process of each Relevant Planning Region, including the regional cost allocation process and methodologies of each such Relevant Planning Region.

References in this section to any transmission planning processes, including cost

allocations, are references to transmission planning processes pursuant to Order 1000.

A. Definitions

The following capitalized terms where used in this Section VII of Attachment K, are defined as follows:

Annual Interregional Coordination Meeting: shall have the meaning set forth in Section VII.C below.

Annual Interregional Information: shall have the meaning set forth in Section VII.B below.

Interregional Cost Allocation: means the assignment of ITP costs between or among Planning Regions as described in Section VII.E.2 below.

Interregional Transmission Project ("ITP"): means a proposed new transmission project that would directly interconnect electrically to existing or planned transmission facilities in two or more Planning Regions and that is submitted into the regional transmission planning processes of all such Planning Regions in accordance with Section VII.D.1.

Order 1000 Common Interregional Coordination and Cost Allocation Tariff Language: means this Section VII, which relates to Order 1000 interregional provisions.

Planning Region: means each of the following Order 1000 transmission planning regions insofar as they are within the Western Interconnection: California Independent System Operator Corporation, ColumbiaGrid, Northern Tier Transmission Group, and WestConnect.

Relevant Planning Regions: means, with respect to an ITP, the Planning Regions that would directly interconnect electrically with such ITP, unless and until such time as a Relevant Planning Region determines that such ITP will not meet any of its regional transmission needs in accordance with Section VII.D.2, at which time it shall no longer be considered a Relevant Planning Region.

B. Annual Interregional Information Exchange

Annually, prior to the Annual Interregional Coordination Meeting, WestConnect is to make available by posting on its website or otherwise provide to each of the other Planning Regions the following information, to the extent such information is available in its regional transmission planning process, relating to regional transmission needs in

WestConnect's transmission planning region and potential solutions thereto:

(i) study plan or underlying information that would typically be included in a study plan, such as:

(a) identification of base cases;

(b) planning study assumptions; and

(c) study methodologies;

(ii) initial study reports (or system assessments); and

(iii) regional transmission plan

(collectively referred to as "Annual Interregional Information").

WestConnect is to post its Annual Interregional Information on its website according to its regional transmission planning process. Each other Planning Region may use in its regional transmission planning process WestConnect's Annual Interregional Information. WestConnect may use in its regional transmission planning process Annual Interregional Information provided by other Planning Regions.

WestConnect is not required to make available or otherwise provide to any other Planning Region (i) any information not developed by WestConnect in the ordinary course of its regional transmission planning process, (ii) any Annual Interregional Information to be provided by any other Planning Region with respect to such other Planning Region, or (iii) any information if WestConnect reasonably determines that making such information available or otherwise providing such information would constitute a violation of the Commission's Standards of Conduct or any other legal requirement. Annual Interregional Information made available or otherwise provided by WestConnect shall be subject to applicable confidentiality and CEII restrictions and other applicable laws, under WestConnect's regional transmission planning process. Any Annual Interregional Information made available or otherwise provided by WestConnect shall be "AS IS" and any reliance by the receiving Planning Region on such Annual Interregional Information is at its own risk, without warranty and without any liability of WestConnect or any of the members of WestConnect, including any liability for (a) any errors or omissions in such Annual Interregional Information, or (b) any delay or failure to provide such Annual Interregional Information.

C. Annual Interregional Coordination Meeting

WestConnect is to participate in an Annual Interregional Coordination Meeting with the

other Planning Regions. WestConnect is to host the Annual Interregional Coordination Meeting in turn with the other Planning Regions, and is to seek to convene such meeting in February, but not later than March 31st. The Annual Interregional Coordination Meeting is to be open to stakeholders. WestConnect is to provide notice of the meeting to its stakeholders in accordance with its regional transmission planning process.

At the Annual Interregional Coordination Meeting, topics discussed may include the following:

(i) each Planning Region's most recent Annual Interregional Information (to the extent it is not confidential or protected by CEII or other legal restrictions);

(ii) identification and preliminary discussion of interregional solutions, including conceptual solutions, that may meet regional transmission needs in each of two or more Planning Regions more cost effectively or efficiently; and

(iii) updates of the status of ITPs being evaluated or previously included in WestConnect's regional transmission plan.

D. ITP Joint Evaluation Process

1. Submission Requirements

A proponent of an ITP may seek to have its ITP jointly evaluated by the Relevant Planning Regions pursuant to Section VII.D.2 by submitting the ITP into the regional transmission planning process of each Relevant Planning Region in accordance with such Relevant Planning Region's regional transmission planning process and no later than March 31st of any even-numbered calendar year. Such proponent of an ITP seeking to connect to a transmission facility owned by multiple transmission owners in more than one Planning Region must submit the ITP to each such Planning Region in accordance with such Planning Region's regional transmission planning process. In addition to satisfying each Relevant Planning Region's information requirements, the proponent of an ITP must include with its submittal to each Relevant Planning Region a list of all Planning Regions to which the ITP is being submitted.

2. Joint Evaluation of an ITP

For each ITP that meets the requirements of Section VII.D.1, WestConnect (if it is a Relevant Planning Region) is to participate in a joint evaluation by the Relevant Planning Regions that is to commence in the calendar year of the ITP's submittal in accordance with Section VII.D.1 or the immediately following calendar year. With respect to any such ITP, WestConnect (if it is a Relevant Planning Region) is to confer with the other Relevant

Planning Region(s) regarding the following:

(i) ITP data and projected ITP costs; and

(ii) the study assumptions and methodologies it is to use in evaluating the ITP pursuant to its regional transmission planning process.

For each ITP that meets the requirements of Section VII.D.1, WestConnect (if it is a Relevant Planning Region):

(a) is to seek to resolve any differences it has with the other Relevant Planning Regions relating to the ITP or to information specific to other Relevant Planning Regions insofar as such differences may affect WestConnect's evaluation of the ITP;

(b) is to provide stakeholders an opportunity to participate in WestConnect's activities under this Section VII.D.2 in accordance with its regional transmission planning process;

(c) is to notify the other Relevant Planning Regions if WestConnect determines that the ITP will not meet any of its regional transmission needs; thereafter WestConnect has no obligation under this Section VII.D.2 to participate in the joint evaluation of the ITP; and

(d) is to determine under its regional transmission planning process if such ITP is a more cost effective or efficient solution to one or more of WestConnect's regional transmission needs.

E. Interregional Cost Allocation Process

1. Submission Requirements

For any ITP that has been properly submitted in each Relevant Planning Region's regional transmission planning process in accordance with Section VII.D.1, a proponent of such ITP may also request Interregional Cost Allocation by requesting such cost allocation from WestConnect and each other Relevant Planning Region in accordance with its regional transmission planning process. The proponent of an ITP must include with its submittal to each Relevant Planning Region a list of all Planning Regions in which Interregional Cost Allocation is being requested.

2. Interregional Cost Allocation Process

For each ITP that meets the requirements of Section VII.E.1, WestConnect (if it is a

Relevant Planning Region) is to confer with or notify, as appropriate, any other Relevant Planning Region(s) regarding the following:

(i) assumptions and inputs to be used by each Relevant Planning Region for purposes of determining benefits in accordance with its regional cost allocation methodology, as applied to ITPs;

(ii) WestConnect's regional benefits stated in dollars resulting from the ITP, if any; and

(iii) assignment of projected costs of the ITP (subject to potential reassignment of projected costs pursuant to Section VII.F.2 below) to each Relevant Planning Region using the methodology described in this Section VII.E.2.

For each ITP that meets the requirements of Section VII.E.1, WestConnect (if it is a Relevant Planning Region):

(a) is to seek to resolve with the other Relevant Planning Regions any differences relating to ITP data or to information specific to other Relevant Planning Regions insofar as such differences may affect WestConnect's analysis;

(b) is to provide stakeholders an opportunity to participate in WestConnect's activities under this Section VII.E.2 in accordance with its regional transmission planning process;

(c) is to determine its regional benefits, stated in dollars, resulting from an ITP; in making such determination of its regional benefits in WestConnect, WestConnect is to use its regional cost allocation methodology, as applied to ITPs;

(d) is to calculate its assigned *pro rata* share of the projected costs of the ITP, stated in a specific dollar amount, equal to its share of the total benefits identified by the Relevant Planning Regions multiplied by the projected costs of the ITP;

(e) is to share with the other Relevant Planning Regions information regarding what its regional cost allocation would be if it were to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation; WestConnect may use such information to identify its total share of the projected costs of the ITP to be assigned to WestConnect in order to determine whether the ITP is a more cost effective or efficient solution to a transmission need in WestConnect;

(f) is to determine whether to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation, based on its regional transmission planning process; and

(g) is to endeavor to perform its Interregional Cost Allocation activities pursuant to this Section VII.E.2 in the same general time frame as its joint evaluation activities pursuant to Section VII.D.2.

F. Application of Regional Cost Allocation Methodology to Selected ITP

1. Selection by All Relevant Planning Regions

If WestConnect (if it is a Relevant Planning Region) and all of the other Relevant Planning Regions select an ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation, WestConnect is to apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under Section VII.E.2(d) or VII.E.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

2. Selection by at Least Two but Fewer than All Relevant Regions

If WestConnect (if it is a Relevant Planning Region) and at least one, but fewer than all, of the other Relevant Planning Regions select the ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation, WestConnect is to evaluate (or reevaluate, as the case may be) pursuant to Sections VII.E.2(d), VII.E.2(e), and VII.E.2(f) above whether, without the participation of the non-selecting Relevant Planning Region(s), the ITP is selected (or remains selected, as the case may be) in its regional transmission plan for purposes for Interregional Cost Allocation. Such reevaluation(s) are to be repeated as many times as necessary until the number of selecting Relevant Planning Regions does not change with such reevaluation.

If following such evaluation (or reevaluation), the number of selecting Relevant Planning Regions does not change and the ITP remains selected for purposes of Interregional Cost Allocation in the respective regional transmission plans of WestConnect and at least one other Relevant Planning Region, WestConnect is to apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under Sections VII.E.2(d) or VII.E.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

VIII. Role of the Transmission Provider

EPE is the Transmission Provider under this Tariff and the entity conducting local

transmission planning under this Attachment K. In addition, EPE is a participating utility in the regional entity, WestConnect, which entity is comprised of other utilities, as well as state representatives, customers, and other stakeholders. WestConnect is to perform the functions of regional transmission planning in the WestConnect region and is to coordinate and jointly evaluate ITPs with other planning regions as set forth in this Attachment K. Attachment K speaks in terms of what WestConnect and the other Relevant Planning Regions are to do, when they are to do it, and how. However, it is to be understood that EPE does not control WestConnect or any other planning region. Any failure of any planning region to perform the regional and interregional activities set forth herein is not to be deemed to be a failure of EPE. EPE's duty is to cooperate with and support WestConnect in its implementation of responsibilities under this Attachment K.

Exhibit 1
EPE Planning Process

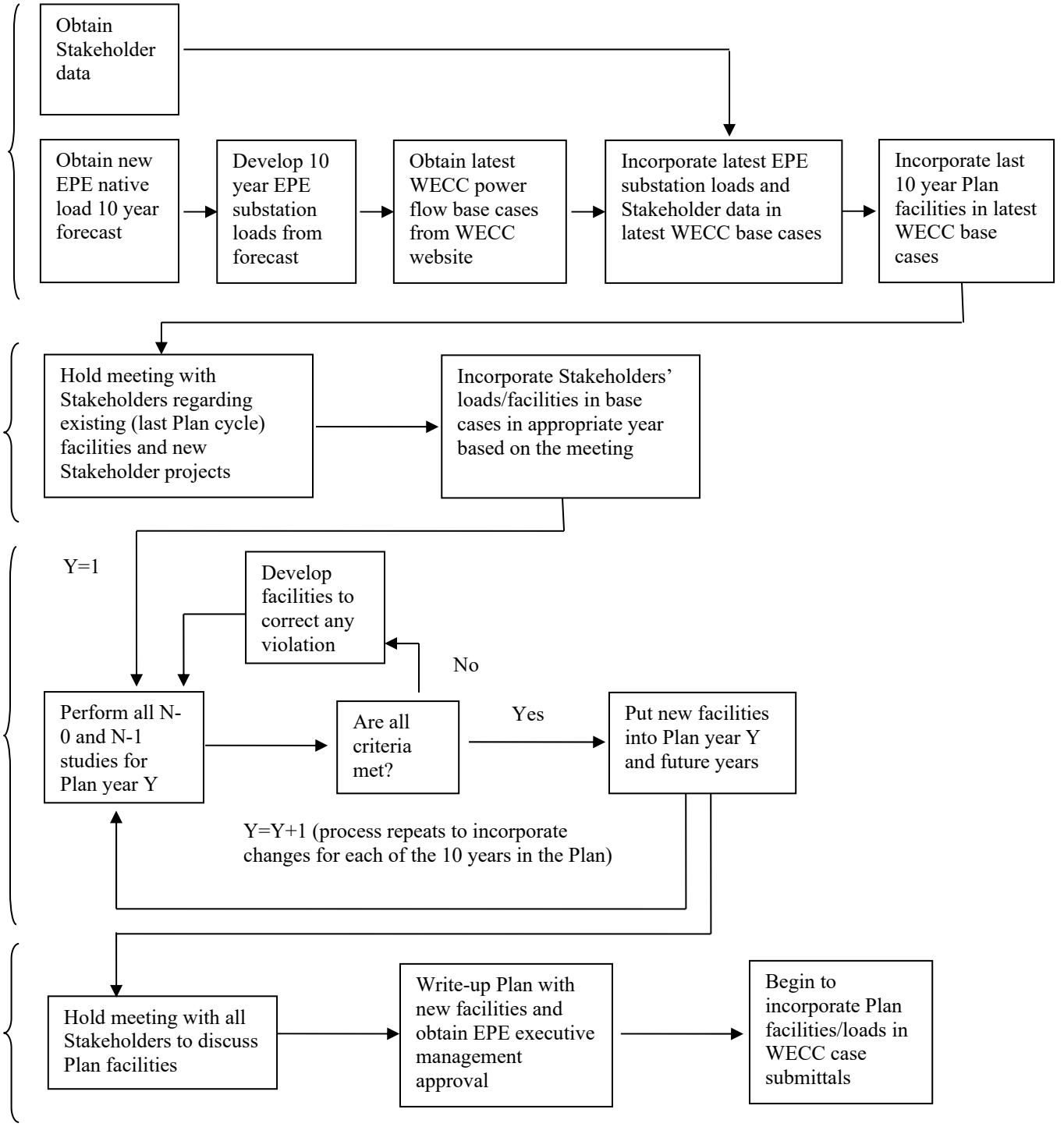
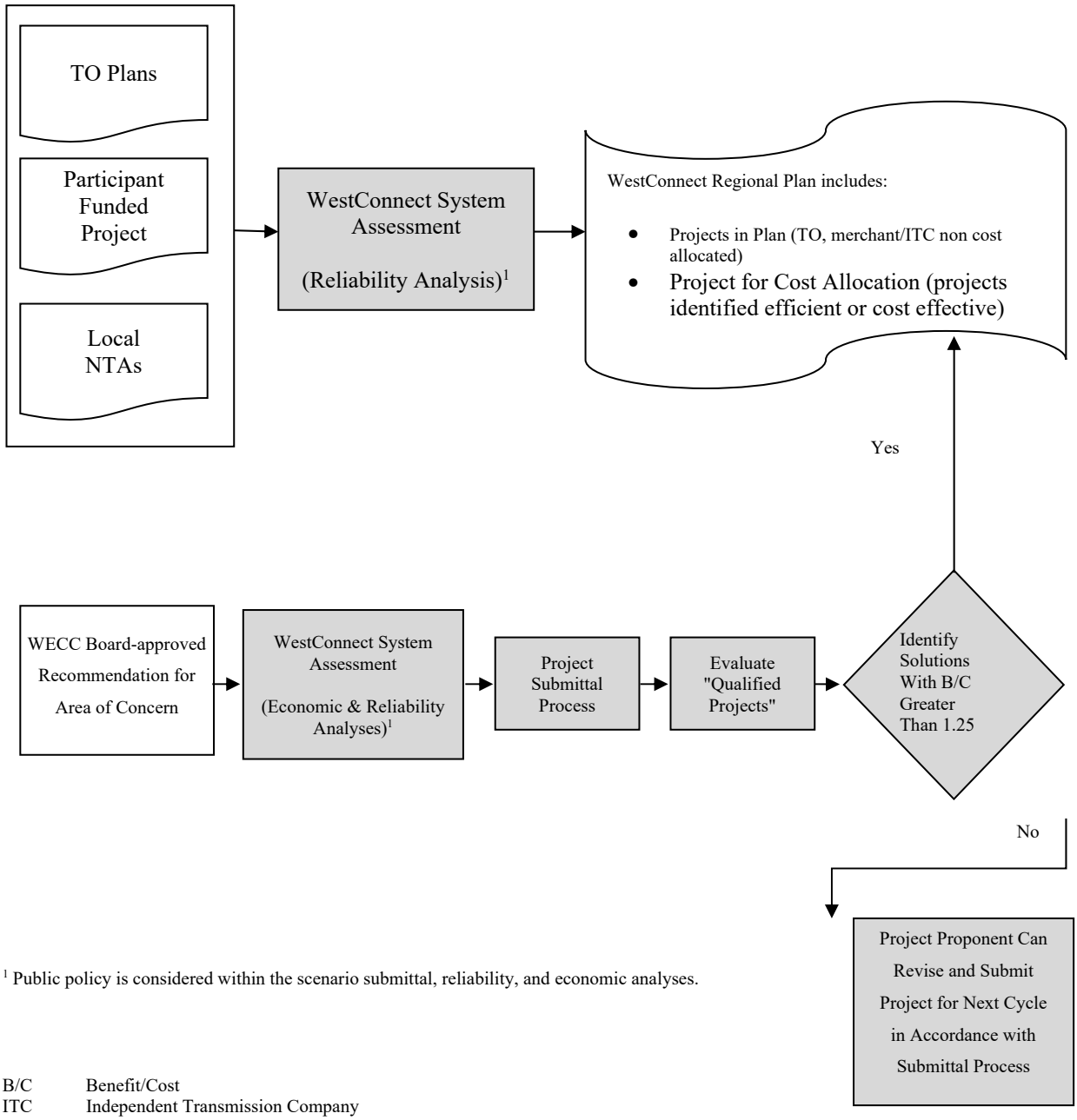


Exhibit 2

WestConnect Regional Transmission Planning Process Chart



[1] Public policy is considered within the scenario submittal, reliability, and economic analyses.

B/C	Benefit/Cost
ITC	Independent Transmission Company
NTA	Non-Transmission Alternative
TO	Transmission Owner
WECC	Western Electricity Coordinating Council

Exhibit 3

WestConnect Regional Transmission Planning Process Activity



Regional Planning Process Activity	Activity Timeframe
Stakeholder meetings	WestConnect will hold open stakeholder meetings on at least a semi-annual basis, or as needed and noticed by the PMC with 30 days advance notice, to update stakeholders about its progress in developing the Regional Plan and to solicit input regarding material matters of process related to the regional transmission plan.
Base transmission plan data collection window	The PS will initiate development of the base transmission plan no later than Quarter 8 of the previous biennial planning cycle and in conjunction with initiating the development of the Regional Study Plan. The submittal window for projects to be considered as part of the base transmission plan will be noticed a minimum of 15 days before the window opens, and the submittal window will stay open for a minimum of 30 days.
Scenario submittal window	A scenario submittal window will open when the development of the Regional Study Plan commences and no later than Quarter 8 of the previous biennial planning cycle. The scenario submittal window will be noticed a minimum of 15 days before the window opens, and the submittal window will stay open for a minimum of 30 days.
Identification of regional needs	Identified regional needs will be posted to the WestConnect website no later than close of Quarter 4 of the first year of the biennial cycle.
Submission period for regional projects to address identified regional needs	For consideration in the current planning cycle, projects must be submitted following the posting of identified regional needs to the WestConnect website, and must occur before the end of Quarter 5 of the biennial planning cycle. Any project submitted after this date will be considered in the next subsequent planning cycle.

ATTACHMENT L

Creditworthiness Procedures

1. Creditworthiness

For the purpose of determining the ability of the Transmission Customer to meet its obligations related to service hereunder, the Transmission Provider may require reasonable credit review procedures. This review shall be made in accordance with standard commercial practices. A Transmission Customer at the time it enters into a transmission service agreement pursuant to this Tariff ("Service Agreement") and throughout the term thereof and so long as any obligations are outstanding thereunder, will be considered creditworthy upon satisfying and maintaining satisfaction of one or more of the following conditions necessary to provide in the aggregate adequate assurance of performance (also referred to below as "security of performance"):

(a) The Transmission Customer provides the Transmission Provider evidence that the Transmission Customer has a Standard and Poor's Long-Term Issuer Credit Rating of BBB- or better or a Moody's Investors Service Long-Term Issuer Credit Rating of Baa3 or better.

(b) The Transmission Customer provides and maintains an unconditional and irrevocable letter of credit in form and substance, of a term, and issued by a bank acceptable to the Transmission Provider and consistent with commercial practices established by the Uniform Commercial Code. For Service Agreements hereunder, the letter of credit shall be in an amount not less than three (3) times

the estimated monthly charges for Transmission Service and Ancillary Services, if applicable, under the Service Agreement. For customers with more than one agreement hereunder, a letter of credit may be required for each such agreement, to the extent the Transmission Customer is using letters of credit to satisfy these creditworthiness requirements. An acceptable form of letter of credit shall be posted on OASIS on or before the date that is fifteen (15) days after the date on which the Commission issues an order accepting this Section 1(b). The Transmission Provider may update and post revised forms from time-to-time.

(c) The Transmission Customer's parent company satisfies the creditworthiness criteria described in (a) above and such parent company submits to the Transmission Provider and maintains in effect a guaranty agreement in form and substance, of a term, and in an amount acceptable to the Transmission Provider. An acceptable form of parent guaranty shall be posted on OASIS on or before the date that is fifteen (15) days after the date on which the Commission issues an order accepting this Section 1(c). The Transmission Provider may update and post revised forms from time-to-time.

(d) For services with a term of thirty (30) days or shorter duration only, the Transmission Customer makes advance payment in full at least five (5) business days in advance of the commencement of service for all services under each such short-term transmission agreement for its entire term. For services with a term in excess of thirty (30) days, the Transmission Customer makes advance payments of all sums due during the following calendar month at least five (5) business days

before the start of the following calendar month. To the extent all charges are not known exactly in advance, the requirements in this Section 1(d) shall be based on the Transmission Provider's estimates of charges which will be due. Any and all advance payments hereunder shall not relieve the Transmission Customer of obligations to pay additional charges due pursuant to this Tariff.

(e) If the Transmission Customer is not rated by Standard & Poor's or Moody's and has been in business for longer than 12 months, the customer may provide the following Dun and Bradstreet (D&B) scores to the Transmission Provider:

D&B Commercial Credit Score Class of 1, 2, or 3, and

D&B Financial Stress Score Class of 1 or 2.

The Transmission Customer must satisfy both of the above criteria to be creditworthy pursuant to this Section 1(e).

(f) The Transmission Customer provides an alternative form of security acceptable to the Transmission Provider as determined by the Transmission Provider in its sole discretion and consistent with the commercial practices established by the Uniform Commercial Code that protects the Transmission Provider against the risk of nonpayment.

The Transmission Customer must provide sufficient assurances of performance to satisfy the above obligations associated with all services hereunder. For example, a Transmission Customer's satisfaction of Section 1(d) with respect to a short-term Service Agreement shall not relieve that customer of the obligation to satisfy independently the creditworthiness requirements associated with the same Transmission Customer's long-

term Service Agreement.

2. Credit Evaluation and Modification

2.1 Prior to executing any agreement with a Transmission Customer or Interconnection Customer, and thereafter at any time at which the service requirements of such customer change or the Transmission Provider has reasonable grounds for insecurity with respect to the customer's performance, the Transmission Provider may reasonably demand and the Transmission Customer or Interconnection Customer, within three (3) business days of said demand, shall provide sufficient documentation and support to enable the Transmission Provider to determine whether the Transmission Customer or Interconnection Customer, as applicable, satisfies the creditworthiness criteria. If a Transmission Customer becomes aware that it no longer satisfies the creditworthiness requirements of Section 1, it shall promptly notify the Transmission Provider of said failure and shall take prompt action to cure such failure.

2.2 A Transmission Customer may request to change the method it uses to satisfy the above creditworthiness requirements by providing the Transmission Provider no less than twenty (20) business days' advance written notice of its request and sufficient documentation and support to enable the Transmission Provider to determine whether the Transmission Customer satisfies the creditworthiness requirements.

2.3 The Transmission Provider shall provide written notice of whether the request is

accepted within fifteen (15) business days after receipt of the request and supporting information.

2.4 In determining the adequacy of the Transmission Customer's assurance of performance pursuant to Section 1, above, the Transmission Provider periodically may recalculate or develop new estimates of the charges due from the Transmission Customer. Transmission Customers may request in writing that the Transmission Provider reevaluate the level of security of performance provided pursuant to Section 1, above. The Transmission Provider shall provide written notification of any changes in the level of security resulting from such reevaluations. Upon the Transmission Provider's written notification that the Transmission Customer may decrease the level of security of performance, the Transmission Customer may decrease the level of security of performance to the revised level established by the Transmission Provider. Alternatively, upon the Transmission Provider's written notification that a Transmission Customer's assurance(s) of performance is not adequate, the customer shall have three (3) business days to provide adequate assurance(s) of performance. The Transmission Customer may request in writing a written explanation of the Transmission Provider's determination. The Transmission Provider shall, in response to such request, provide an explanation of the Transmission Provider's determination.

3. Right to Draw on Financial Assurances

3.1 In addition to and without limiting any and all other remedies hereunder, at law or

in equity available to the Transmission Provider, the Transmission Provider has the right to and may liquidate or draw upon all or a portion of a Transmission Customer's financial assurances if the customer fails to timely pay any amounts due to the Transmission Provider pursuant to the Service Agreement.

3.2 The Transmission Customer shall replace any such liquidated or drawn upon amounts within three (3) business days.

4. Suspension of Service

In addition to and without limiting any and all other remedies hereunder, at law or in equity available to the Transmission Provider, the Transmission Provider may suspend transmission service pursuant to this Section 4 if a Transmission Customer fails to satisfy assurances of performance required pursuant to this Attachment L within thirty-five (35) calendar days after the Transmission Provider provides notification to the Transmission Customer. The Transmission Provider shall provide at least thirty (30) days' (or such shorter period authorized by the Commission) written notice to the Commission before suspending transmission service.

4.1 During any such suspension, the Transmission Provider shall have the right to offer the Transmission Customer's transmission capacity to third parties on the Transmission Provider's OASIS. The Transmission Customer is not obligated to pay for transmission service that is not provided as a result of a suspension.

4.2 In order for a Transmission Customer to end a suspension under this Section 4, if the Service Agreement is still in force and effect, the Transmission Customer shall have the right to satisfy the creditworthiness requirements of this Attachment L

consistent with the notice provisions of Sections 2.2 and 2.3, above. If the Transmission Provider notifies the Transmission Customer that it has satisfied the creditworthiness requirements, the suspension shall end at the end of the applicable notice period or earlier by mutual agreement of the Transmission Provider and the Transmission Customer.

ATTACHMENT M

Large Generator Interconnection Procedures and Agreement

STANDARD LARGE GENERATOR

INTERCONNECTION PROCEDURES (LGIP)

(Applicable to Generating Facilities that exceed 20 MW)

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Section 1. Definitions

Adverse System Impact shall mean the negative effects due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.

Affected System shall mean an electric system other than Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Affected System Facilities Construction Agreement shall mean the agreement contained in Appendix 11 to this LGIP that is made between Transmission Provider and Affected System Interconnection Customer to facilitate the construction of and to set forth cost responsibility for necessary Affected System Network Upgrades on Transmission Provider's Transmission System.

Affected System Interconnection Customer shall mean any entity that submits an interconnection request for a generating facility to a transmission system other than Transmission Provider's Transmission System that may cause the need for Affected System Network Upgrades on Transmission Provider's Transmission System.

Affected System Network Upgrades shall mean the additions, modifications, and upgrades to Transmission Provider's Transmission System required to accommodate Affected System Interconnection Customer's proposed interconnection to a transmission system other than Transmission Provider's Transmission System.

Affected System Operator shall mean the entity that operates an Affected System.

Affected System Queue Position shall mean the queue position of an Affected System Interconnection Customer in Transmission Provider's interconnection queue relative to Transmission Provider's Interconnection Customers' Queue Positions.

Affected System Study shall mean the evaluation of Affected System Interconnection Customers' proposed interconnection(s) to a transmission system other than Transmission Provider's Transmission System that have an impact on Transmission Provider's Transmission System, as described in Section 9 of this LGIP.

Affected System Study Agreement shall mean the agreement contained in Appendix 9 to this LGIP that is made between Transmission Provider and Affected System Interconnection Customer to conduct an Affected System Study pursuant to Section 9 of this LGIP.

Affected System Study Report shall mean the report issued following completion of an Affected System Study pursuant to Section 9. 7 of this LGIP.

Affiliate shall mean, with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

Ancillary Services shall mean those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of Transmission Provider's Transmission System in accordance with Good Utility Practice.

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Standards shall mean the requirements and guidelines of the *Electric Reliability Organization* and the *Balancing Authority Area* of the Transmission System to which the Generating Facility is directly interconnected.

Balancing Authority shall mean an entity that integrates resource plans ahead of time, maintains demand and resource balance within a Balancing Authority Area, and supports interconnection frequency in real time.

Balancing Authority Area shall mean the collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies by Transmission Provider or Interconnection Customer.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the Standard Large Generator Interconnection Agreement.

Breaching Party shall mean a Party that is in Breach of the Standard Large Generator Interconnection Agreement.

Business Day shall mean Monday through Friday, excluding Federal Holidays.

Calendar Day shall mean any day including Saturday, Sunday or a Federal Holiday.

Cluster shall mean a group of one or more Interconnection Requests that are studied together for the purpose of conducting a Cluster Study.

Cluster Request Window shall mean the time period set forth in Section 3.4.1 of this LGIP.

Cluster Restudy shall mean a restudy of a Cluster Study conducted pursuant to Section 7.5 of this LGIP.

Cluster Restudy Report shall mean the report issued following completion of a Cluster Restudy pursuant to Section 7.5 of this LGIP.

Cluster Restudy Report Meeting shall mean the meeting held to discuss the results of a Cluster Restudy pursuant to Section 7.5 of this LGIP.

Cluster Study shall mean the evaluation of one or more Interconnection Requests within a Cluster as described in Section 7 of this LGIP.

Cluster Study Agreement shall mean the agreement contained in Appendix 2 to this LGIP for conducting the Cluster Study.

Cluster Study Process shall mean the following processes, conducted in sequence: the Cluster Request Window; the Customer Engagement Window and Scoping Meetings therein; the Cluster Study; any needed Cluster Restudies; and the Interconnection Facilities Study.

Cluster Study Report shall mean the report issued following completion of a Cluster Study pursuant to Section 7 of this LGIP.

Cluster Study Report Meeting shall mean the meeting held to discuss the results of a Cluster Study pursuant to Section 7 of this LGIP.

Clustering shall mean the process whereby one or more Interconnection Requests are studied together, instead of serially, as described in Section 7 of this LGIP.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Standard Large Generator Interconnection Agreement.

Commercial Readiness Deposit shall mean a deposit paid as set forth in Sections 3.4.2, 7.5, and 8.1 of this LGIP.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Contingent Facilities shall mean those unbuilt Interconnection Facilities and Network Upgrades upon which the Interconnection Request's costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for restudies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing.

Customer Engagement Window shall mean the time period set forth in Section 3.4.5 of this LGIP.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Standard Large Generator Interconnection Agreement.

Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution System shall mean Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

Distribution Upgrades shall mean the additions, modifications, and upgrades to Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which the Standard Large Generator Interconnection Agreement becomes effective upon execution by the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.

Electric Reliability Organization shall mean the North American Electric Reliability Corporation (NERC) or its successor organization.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of a Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Transmission Provider's Transmission System, Transmission Provider's Interconnection Facilities or the electric systems of others to which Transmission Provider's Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided that Interconnection Customer is not obligated by the Standard Large Generator

Interconnection Agreement to possess black start capability.

Energy Resource Interconnection Service shall mean an Interconnection Service that allows Interconnection Customer to connect its Generating Facility to Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or non-firm capacity of Transmission Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

Engineering & Procurement (E&P) Agreement shall mean an agreement that authorizes Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a et seq.

FERC shall mean the Federal Energy Regulatory Commission (Commission) or its successor.

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility shall mean Interconnection Customer's device(s) for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include Interconnection Customer's Interconnection Facilities.

Generating Facility Capacity shall mean the net capacity of the Generating Facility or the aggregate net capacity of the Generating Facility where it includes more than one device for the production and/or storage for later injection of electricity.

Good Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective

facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer, Transmission Provider, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date shall mean the date upon which Interconnection Customer reasonably expects it will be ready to begin use of Transmission Provider's Interconnection Facilities to obtain back feed power.

Interconnection Customer shall mean any entity, including Transmission Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with Transmission Provider's Transmission System.

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the Standard Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to Transmission Provider's Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean Transmission Provider's Interconnection Facilities and Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Study shall mean a study conducted by Transmission Provider or a third-party consultant for Interconnection Customer to determine a list of facilities (including Transmission Provider's Interconnection Facilities and Network Upgrades as identified in the *Cluster Study*), the cost of those facilities, and the time required to interconnect the Generating Facility with Transmission Provider's Transmission System. The scope of the study is defined in Section 8 of *this LGIP*.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 3 of this LGIP for conducting the Interconnection Facilities

Study.

Interconnection Facilities Study Report shall mean the report issued following completion of an Interconnection Facilities Study pursuant to Section 8 of this LGIP.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to this LGIP, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with Transmission Provider's Transmission System.

Interconnection Service shall mean the service provided by Transmission Provider associated with interconnecting Interconnection Customer's Generating Facility to Transmission Provider's Transmission System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Standard Large Generator Interconnection Agreement and, if applicable, Transmission Provider's Tariff.

Interconnection Study shall mean any of the following studies: the Cluster Study, the Cluster Restudy, the Surplus Interconnection Service Study, the Interconnection Facilities Study, the Affected System Study, Optional Interconnection Study, and Material Modification assessment, described in this LGIP.

IRS shall mean the Internal Revenue Service.

Joint Operating Committee shall be a group made up of representatives from Interconnection Customers and Transmission Provider to coordinate operating and technical considerations of Interconnection Service.

Large Generating Facility shall mean a Generating Facility having a Generating Facility Capacity of more than 20 MW.

LGIA Deposit shall mean the deposit Interconnection Customer submits when returning the executed LGIA, or within ten (10) Business Days of requesting that the LGIA be filed unexecuted at the Commission, in accordance with Section 11.3 of this LGIP.

Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non-performance of its obligations under the Standard Large Generator Interconnection Agreement on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the *Indemnifying* Party.

Material Modification shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with a*n equal or* later *Queue* Position.

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Standard Large Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

Multiparty Affected System Facilities Construction Agreement shall mean the agreement contained in Appendix 12 to this LGIP that is made among Transmission Provider and multiple Affected System Interconnection Customers to facilitate the construction of and to set forth cost responsibility for necessary Affected System Network Upgrades on Transmission Provider's Transmission System.

Multiparty Affected System Study Agreement shall mean the agreement contained in Appendix 10 to this LGIP that is made among Transmission Provider and multiple Affected System Interconnection Customers to conduct an Affected System Study pursuant to Section 9 of this LGIP.

Network Resource shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Network Resource Interconnection Service shall mean an Interconnection Service that allows Interconnection Customer to integrate its Large Generating Facility with Transmission Provider's Transmission System (1) in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Facilities connect to Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to Transmission Provider's Transmission System.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Standard Large Generator Interconnection Agreement or its performance.

Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 4 of this LGIP for conducting the Optional Interconnection Study.

Party or Parties shall mean Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Permissible Technological Advancement shall mean a modification to a specific technology type submitted in an Interconnection Customer's Interconnection Request that: (1) is not a Material Modification; (2) is not a change in generation technology or fuel type, but may include advancements to other technology such as, e.g., advancements to turbines, inverters, plant supervisory controls, or other technological advancements that may affect a generating facility's ability to produce

ancillary services; (3) results in electrical performance that is equal to or better than the electrical performance expected prior to the technology change; (4) does not degrade the electrical characteristics of the generating equipment (e.g., the ratings, impedances, efficiencies, capabilities, and performance of the equipment under steady state and dynamic conditions); (5) does not increase the Interconnection Customer's requested Interconnection Service and (6) does not cause any reliability concerns (i.e., materially impact the transmission system with regard to short circuit capability limits, steady-state thermal or voltage limits or dynamic system stability and response).

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where Interconnection Customer's Interconnection Facilities connect to Transmission Provider's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Facilities connect to Transmission Provider's Transmission System.

Proportional Impact Method shall mean a technical analysis conducted by Transmission Provider to determine the degree to which each Generating Facility in the Cluster Study contributes to the need for a specific System Network Upgrade.

Provisional Interconnection Service shall mean Interconnection Service provided by Transmission Provider associated with interconnecting Interconnection Customer's Generating Facility to Transmission Provider's Transmission System and enabling that Transmission System to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

Provisional Large Generator Interconnection Agreement shall mean the interconnection agreement for Provisional Interconnection Service established between Transmission Provider and/or Transmission Owner and Interconnection Customer. This agreement shall take the form of the Standard Large Generator Interconnection Agreement, modified for provisional purposes.

Queue Position shall mean the order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, established pursuant to Section 4.1 of this LGIP.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Standard Large Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Regulatory Limitations shall mean is a federal, state, or tribal process that prohibits Interconnection Customer from obtaining exclusive Site Control within the time frame detailed in Transmission Provider's LGIP for an interconnection request proposing to interconnect to Transmission Provider's Transmission System. This definition is applicable to lands managed by entities or entity types that fall within Transmission Provider's service area.

Scoping Meeting shall mean the meeting between representatives of

Interconnection Customer(s) and Transmission Provider conducted for the purpose of discussing the proposed Interconnection Request and any alternative interconnection options, exchanging information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, refining information and models provided by Interconnection Customer(s), discussing the Cluster Study materials posted to OASIS pursuant to Section 3.5 of this LGIP, and analyzing such information.

Site Control shall mean the exclusive land right to develop, construct, operate, and maintain the Generating Facility over the term of expected operation of the Generating Facility. Site Control may be demonstrated by documentation establishing: (1) ownership of, a leasehold interest in, or a right to develop a site of sufficient size to construct and operate the Generating Facility; (2) an option to purchase or acquire a leasehold site of sufficient size to construct and operate the Generating Facility; or (3) any other documentation that clearly demonstrates the right of Interconnection Customer to exclusively occupy a site of sufficient size to construct and operate the Generating Facility. Transmission Provider will maintain acreage requirements for each Generating Facility type on its OASIS or public website.

Small Generating Facility shall mean a Generating Facility that has a Generating Facility Capacity of no more than 20 MW.

Stand Alone Network Upgrades shall mean Network Upgrades that are not part of an Affected System that Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both Transmission Provider and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Large Generator Interconnection Agreement. If Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, Transmission Provider must provide Interconnection Customer a written technical explanation outlining why Transmission Provider does not consider the Network Upgrade to be a Stand Alone Network Upgrade within fifteen (15) Business Days of its determination.

Standard Large Generator Interconnection Agreement (LGIA) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility (or a Small Generating Facility requesting to interconnect under Network Resource Interconnection Service) that is included in Transmission Provider's Tariff.

Standard Large Generator Interconnection Procedures (LGIP) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility (or a Small Generating Facility requesting to interconnect under Network Resource Interconnection Service) that are included in Transmission Provider's Tariff.

Substation Network Upgrades shall mean Network Upgrades that are required at the substation located at the Point of Interconnection.

Surplus Interconnection Service shall mean any unneeded portion of Interconnection Service established in a Standard Large Generator Interconnection

Agreement, such that if Surplus Interconnection Service is utilized, the total amount of Interconnection Service at the Point of Interconnection would remain the same.

System Network Upgrades shall mean Network Upgrades that are required beyond the substation located at the Point of Interconnection.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) Transmission Provider's Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on Transmission Provider's Transmission System or on other delivery systems or other generating systems to which Transmission Provider's Transmission System is directly connected.

Tariff shall mean Transmission Provider's Tariff through which open access transmission service and Interconnection Service are offered, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

Transitional Cluster Study shall mean an Interconnection Study evaluating a Cluster of Interconnection Requests during the transition to the Cluster Study Process, as set forth in Section 5.1.1.2 of this LGIP.

Transitional Cluster Study Agreement shall mean the agreement contained in Appendix 7 to this LGIP that is made between Transmission Provider and Interconnection Customer to conduct a Transitional Cluster Study pursuant to Section 5.1.1.2 of this LGIP.

Transitional Cluster Study Report shall mean the report issued following completion of a Transitional Cluster Study pursuant to Section 5.1.1.2 of this LGIP.

Transitional Interconnection Facilities Study shall mean an Interconnection Facilities Study evaluating an Interconnection Request during the transition to the Cluster Study Process, as set forth in Section 5.1.1.1 of this LGIP.

Transitional Interconnection Facilities Study Agreement shall mean the agreement contained in Appendix 8 to this LGIP that is made between Transmission Provider and Interconnection Customer to conduct a Transitional Interconnection Facilities Study pursuant to Section 5.1.1.1 of this LGIP.

Transitional Interconnection Facilities Study Report shall mean the report issued following completion of a Transitional Interconnection Facilities Study pursuant to Section 5.1.1.1 of this LGIP.

Transitional Withdrawal Penalty shall mean the penalty assessed by Transmission Provider to Interconnection Customer that has entered the Transitional Cluster Study or Transitional Interconnection Facilities Study and chooses to withdraw or is deemed withdrawn from Transmission Provider's interconnection queue or whose Generating Facility does not otherwise reach Commercial Operation. The calculation of the Transitional Withdrawal Penalty is set forth in Sections 5.1.1.1 and 5.1.1.2 of this LGIP.

Transmission Owner shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of

Interconnection and may be a Party to the Standard Large Generator Interconnection Agreement to the extent necessary.

Transmission Provider shall mean the public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from Transmission Provider.

Transmission Provider's Interconnection Facilities shall mean all facilities and equipment owned, controlled, or operated by Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Standard Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Transmission System shall mean the facilities owned, controlled or operated by Transmission Provider or Transmission Owner that are used to provide transmission service under the Tariff.

Trial Operation shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

Withdrawal Penalty shall mean the penalty assessed by Transmission Provider to an Interconnection Customer that chooses to withdraw or is deemed withdrawn from Transmission Provider's interconnection queue or whose Generating Facility does not otherwise reach Commercial Operation. The calculation of the Withdrawal Penalty is set forth in Section 3.7.1 of this LGIP.

Section 2. Scope and Application

2.1 Application of Standard Large Generator Interconnection Procedures. Sections 2 through 13 of this LGIP apply to processing an Interconnection Request pertaining to a Large Generating Facility.

2.2 Comparability.
Transmission Provider shall receive, process and analyze all Interconnection Requests in a timely manner as set forth in this LGIP. Transmission Provider *shall* process and analyz*e* Interconnection Requests from all Interconnection Customers comparably, *regardless of* whether the Generating Facilities are owned by Transmission Provider, its subsidiaries or Affiliates or others.

2.3 Base Case Data.
Transmission Provider shall maintain base power flow, short circuit and stability databases, including all underlying assumptions, and contingency list on either its OASIS site or a password-protected website, subject to confidentiality provisions in LGIP Section 13.1. In addition, Transmission Provider shall maintain network models and underlying assumptions on either its OASIS site or a password-protected website. Such network models and underlying assumptions should reasonably represent those used during the most recent Interconnection Study and be representative of current system conditions. If Transmission Provider posts this information on a password-protected website, a link to the information must be provided on Transmission Provider's OASIS site. Transmission Provider is permitted to require that Interconnection Customers, OASIS site users and password-protected website users sign a confidentiality agreement before the release of commercially sensitive information or Critical Energy Infrastructure Information in the Base Case data. Such databases and lists, hereinafter referred to as Base Cases, shall include all (1) generation projects and (2) transmission projects, including merchant transmission projects that are proposed for the Transmission System for which a transmission expansion plan has been submitted and approved by the applicable authority.

2.4 No Applicability to Transmission Service.
Nothing in this LGIP shall constitute a request for transmission service or confer upon an Interconnection Customer any right to receive transmission service.

Section 3. Interconnection Requests

3.1 Interconnection Requests.

3.1.1 Study Deposits.

3.1.1.1 Study Deposit. Interconnection Customer shall submit to Transmission Provider, during a Cluster Request Window, an Interconnection Request in the form of Appendix 1 to this LGIP, a non-refundable application fee of $5,000, and a refundable study deposit of:

a. $35,000 plus $1,000 per MW for Interconnection Requests < 80 MW, or;

b. $150,000 for Interconnection Requests ≥ 80 MW < 200 MW; or

c. $250,000 for Interconnection Requests ≥ 200 MW.

Transmission Provider shall apply the study deposit toward the cost of the Cluster Study Process.

3.1.2 Submission.

Interconnection Customer shall submit a separate Interconnection Request for each site. Where multiple Generating Facilities share a site, Interconnection Customer(s) may submit separate Interconnection Requests or a single Interconnection Request. An Interconnection Request to evaluate one site at two different voltage levels shall be treated as two Interconnection Requests.

At Interconnection Customer's option, Transmission Provider and Interconnection Customer will identify alternative Point(s) of Interconnection and configurations at a Scoping Meeting within the Customer Engagement Window to evaluate in this process and attempt to eliminate alternatives in a reasonable fashion given resources and

information available. Interconnection Customer will select the definitive Point of Interconnection to be studied no later than the execution of the Cluster Study Agreement. For purposes of clustering Interconnection Requests, Transmission Provider may propose changes to the requested Point of Interconnection to facilitate efficient interconnection of Interconnection Customers at common Point(s) of Interconnection. Transmission Provider shall notify Interconnection Customers in writing of any intended changes to the requested Point of Interconnection within the Customer Engagement Window, and the Point of Interconnection shall only change upon mutual agreement.

Transmission Provider shall have a process in place to consider requests for Interconnection Service below the Generating Facility Capacity. These requests for Interconnection Service shall be studied at the level of Interconnection Service requested for purposes of Interconnection Facilities, Network Upgrades, and associated costs, but may be subject to other studies at the full Generating Facility Capacity to ensure safety and reliability of the system, with the study costs borne by Interconnection Customer. If after the additional studies are complete, Transmission Provider determines that additional Network Upgrades are necessary, then Transmission Provider must: (1) specify which additional Network Upgrade costs are based on which studies; and (2) provide a detailed explanation of why the additional Network Upgrades are necessary. Any Interconnection Facility and/or Network Upgrade costs required for safety and reliability also would be borne by Interconnection Customer. Interconnection Customers may be subject to additional control technologies as well as testing and validation of those technologies consistent with Article 6 of the LGIA. The necessary control technologies and protection systems shall be established in Appendix C of that executed, or requested to be filed unexecuted, LGIA.

Transmission Provider shall have a process in place to study Generating Facilities that include at least one electric storage resource using operating assumptions (i.e., whether the interconnecting Generating Facility will or will not charge at peak load) that reflect the proposed charging behavior of the Generating Facility as requested by Interconnection Customer, unless Transmission Provider determines that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions. If Transmission Provider finds Interconnection Customer's requested operating assumptions conflict with Good Utility Practice, Transmission Provider must provide Interconnection Customer an explanation in writing of why the submitted operating assumptions are insufficient or inappropriate by no later than thirty (30) Calendar Days before the end of the Customer Engagement Window and allow

Interconnection Customer to revise and resubmit requested operating assumptions one time at least ten (10) Calendar Days prior to the end of the Customer Engagement Window. Transmission Provider shall study these requests for Interconnection Service, with the study costs borne by Interconnection Customer, using the submitted operating assumptions for purposes of Interconnection Facilities, Network Upgrades, and associated costs. These requests for Interconnection Service also may be subject to other studies at the full Generating Facility Capacity to ensure safety and reliability of the system, with the study costs borne by Interconnection Customer. Interconnection Customer's Generating Facility may be subject to additional control technologies as well as testing and validation of such additional control technologies consistent with Article 6 of the LGIA. The necessary control technologies and protection systems shall be set forth in Appendix C of Interconnection Customer's LGIA.

3.2 Identification of Types of Interconnection Services.

At the time the Interconnection Request is submitted, Interconnection Customer must request either Energy Resource Interconnection Service or Network Resource Interconnection Service, as described; provided, however, any Interconnection Customer requesting Network Resource Interconnection Service may also request that it be concurrently studied for Energy Resource Interconnection Service, up to the point when an Interconnection Facilities Study Agreement is executed. Interconnection Customer may then elect to proceed with Network Resource Interconnection Service or to proceed under a lower level of interconnection service to the extent that only certain upgrades will be completed.

3.2.1 Energy Resource Interconnection Service.

3.2.1.1 The Product. Energy Resource Interconnection Service allows Interconnection Customer to connect the Large Generating Facility to the Transmission System and be eligible to deliver the Large Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an "as available" basis. Energy Resource Interconnection Service does not in and of itself convey any right to deliver electricity to any specific customer or Point of Delivery.

3.2.1.2 The Study. The study consists of short circuit/fault duty,

steady state (thermal and voltage) and stability analyses. The short circuit/fault duty analysis would identify direct Interconnection Facilities required and the Network Upgrades necessary to address short circuit issues associated with the Interconnection Facilities. The stability and steady state studies would identify necessary upgrades to allow full output of the proposed Large Generating Facility, except for Generating Facilities that include at least one electric storage resource that request to use operating assumptions pursuant to Section 3.1.2, unless Transmission Provider determines that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions, and would also identify the maximum allowed output, at the time the study is performed, of the interconnecting Large Generating Facility without requiring additional Network Upgrades.

3.2.2 Network Resource Interconnection Service.

3.2.2.1 The Product. Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility (1) in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an ISO or RTO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service allows Interconnection Customer's Large Generating Facility to be designated as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur.

3.2.2.2 The Study. The Interconnection Study for Network Resource Interconnection Service shall assure that Interconnection Customer's Large Generating Facility meets the requirements for Network Resource Interconnection Service and as a general matter, that such Large Generating Facility's interconnection is also studied with Transmission Provider's Transmission System at peak load, under a variety of severely stressed conditions, to determine whether, with the Large Generating Facility at full output, except for Generating Facilities that include at least

one electric storage resource that request to use, and for which Transmission Provider approves, operating assumptions pursuant to Section 3.1.2, the aggregate of generation in the local area can be delivered to the aggregate of load on Transmission Provider's Transmission System, consistent with Transmission Provider's reliability criteria and procedures. This approach assumes that some portion of existing Network Resources are displaced by the output of Interconnection Customer's Large Generating Facility. Network Resource Interconnection Service in and of itself does not convey any right to deliver electricity to any specific customer or Point of Delivery. Transmission Provider may also study the Transmission System under non-peak load conditions. However, upon request by Interconnection Customer, Transmission Provider must explain in writing to Interconnection Customer why the study of non-peak load conditions is required for reliability purposes.

3.3 Utilization of Surplus Interconnection Service.

Transmission Provider must provide a process that allows an Interconnection Customer to utilize or transfer Surplus Interconnection Service at an existing Point of Interconnection. The original Interconnection Customer or one of its affiliates shall have priority to utilize Surplus Interconnection Service. If the existing Interconnection Customer or one of its affiliates does not exercise its priority, then that service may be made available to other potential Interconnection Customers.

3.3.1 Surplus Interconnection Service Requests.

Surplus Interconnection Service requests may be made by the existing Interconnection Customer or one of its affiliates or may be submitted once Interconnection Customer has executed the LGIA or requested that the LGIA be filed unexecuted. Surplus Interconnection Service requests also may be made by another Interconnection Customer. An LGIA providing Surplus Interconnection Service must be signed by both the original Interconnection Customer and the Interconnection Customer requesting Surplus Interconnection Service. Transmission Provider shall provide a process for evaluating Interconnection Requests for Surplus Interconnection Service. Studies for Surplus Interconnection Service shall consist of reactive power, short circuit/fault duty, stability analyses, and any other appropriate

studies. Steady-state (thermal/voltage) analyses may be performed as necessary to ensure that all required reliability conditions are studied. If the Surplus Interconnection Service was not studied under off-peak conditions, off-peak steady state analyses shall be performed to the required level necessary to demonstrate reliable operation of the Surplus Interconnection Service. If the original system impact study report or Cluster Study Report is not available for the Surplus Interconnection Service, both off-peak and peak analysis may need to be performed for the existing Generating Facility associated with the request for Surplus Interconnection Service. Surplus Interconnection Service will be processed outside of the cluster study process and interconnection queue. The reactive power, short circuit/fault duty, stability, and steady-state analyses for Surplus Interconnection Service will identify any additional Interconnection Facilities and/or Network Upgrades necessary.

Transmission Provider shall study Surplus Interconnection Service requests for a Generating Facility that includes at least one electric storage resource using operating assumptions (i.e., whether the interconnecting Generating Facility will or will not charge at peak load) that reflect the proposed charging behavior of the Generating Facility as requested by Interconnection Customer, unless Transmission Provider determines that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions.

3.4 Valid Interconnection Request.

3.4.1 Cluster Request Window.

Transmission Provider shall accept Interconnection Requests during a forty-five (45) Calendar Day period (the Cluster Request Window). The initial Cluster Request Window shall open for Interconnection Requests thirty (30) to ninety (90) Calendar Days after the conclusion of the transition process set out in Section 5.1 of this LGIP (but no later than June 1, 2025) and successive Cluster Request Windows shall open annually every February 15 thereafter. Transmission Provider shall post a notice on OASIS no less than thirty (30) Calendar Days prior to the selected opening date for the initial Cluster Request Window.

3.4.2 Initiating an Interconnection Request .

An Interconnection Customer seeking to join a Cluster shall submit its Interconnection Request to Transmission Provider within, and no later than the close of, the Cluster Request Window. Interconnection Requests submitted outside of the Cluster Request Window will not be considered. To initiate an Interconnection Request, Interconnection Customer must submit all of the following:

(i) Applicable study deposit amount, pursuant to Section 3.1.1.1 of this LGIP,

(ii) A completed application in the form of Appendix 1,

(iii) Demonstration of no less than ninety percent (90%) Site Control or if the Site Control is unobtainable due to Regulatory Limitations as such term is defined in this LGIP, an Interconnection Customer must submit (1) a signed affidavit from an officer of the company indicating that Site Control is unobtainable due to regulatory limitations as such term is defined by Transmission Provider; and (2) documentation sufficiently describing and explaining the source and effects of such regulatory limitations, including a description of any conditions that must be met to satisfy the regulatory limitations and the anticipated time by which Interconnection Customer expects to satisfy the regulatory requirements; and (3) a deposit in lieu of Site Control of $10,000 per MW, subject to a minimum of $500,000 and a maximum of $2,000,000. Interconnection Requests from multiple Interconnection Customers for multiple Generating Facilities that share a site must include a contract or other agreement that allows for shared land use,

(iv) Generating Facility Capacity (MW) (and requested Interconnection Service level if the requested Interconnection Service is less than the Generating Facility Capacity),

(v) If applicable, (1) the requested operating assumptions (i.e., whether the interconnecting Generating Facility will or will not charge at peak load) to be used by Transmission Provider that reflect the proposed charging behavior of the Generating Facility that includes at least one electric storage resource, and (2) a description of any control technologies (software and/or hardware) that will limit the operation of the Generating Facility to the operating assumptions submitted by Interconnection Customer,

(vi) A Commercial Readiness Deposit equal to two times the study deposit described in Section 3.1.1.1 of this LGIP in the form of an irrevocable letter of credit, cash, a surety bond, or other form of security that is reasonably acceptable to Transmission Provider. This Commercial Readiness Deposit is refunded to Interconnection Customer according to Section 3.7 of this LGIP,

(vii) A Point of Interconnection, and

(viii) Whether the Interconnection Request shall be studied for Network Resource Interconnection Service or for Energy Resource Interconnection Service, consistent with Section 3.2 of this LGIP.

An Interconnection Customer that submits a deposit in lieu of Site Control due to demonstrated regulatory limitations must demonstrate that it is taking identifiable steps to secure the necessary regulatory approvals from the applicable federal, state, and/or tribal entities before execution of the Cluster Study Agreement. Such deposit will be held by Transmission Provider until Interconnection Customer

provides the required Site Control demonstration for its point in the Cluster Study Process. Interconnection Customers facing qualifying regulatory limitations must demonstrate one hundred percent (100%) Site Control within one hundred eighty (180) Calendar Days of the effective date of the LGIA.

Interconnection Customer shall promptly inform Transmission Provider of any material change to Interconnection Customer's demonstration of Site Control under Section 3.4.2(iii) of this LGIP. If Transmission Provider determines, based on Interconnection Customer's information, that Interconnection Customer no longer satisfies the Site Control requirement, Transmission Provider shall give Interconnection Customer ten (10) Business Days to demonstrate satisfaction with the applicable requirement subject to Transmission Provider's approval. Absent such, Transmission Provider shall deem the Interconnection Request withdrawn pursuant to Section 3.7 of this LGIP.

The expected In-Service Date of the new Large Generating Facility or increase in capacity of the existing Generating Facility shall be no more than the process window for the regional expansion planning period (or in the absence of a regional planning process, the process window for Transmission Provider's expansion planning period) not to exceed seven (7) years from the date the Interconnection Request is received by Transmission Provider, unless Interconnection Customer demonstrates that engineering, permitting and construction of the new Large Generating Facility or increase in capacity of the existing Generating Facility will take longer than the regional expansion planning period. The In-Service Date may succeed the date the Interconnection Request is received by Transmission Provider by a period up to ten (10) years, or longer where Interconnection Customer and Transmission Provider agree, such agreement not to be unreasonably withheld.

3.4.3 Acknowledgment of Interconnection Request.
Transmission Provider shall acknowledge receipt of the Interconnection Request within five (5) Business Days of receipt of the request and attach a copy of the received Interconnection Request

to the acknowledgement.

3.4.4 Deficiencies in Interconnection Request.

An Interconnection Request will not be considered to be a valid request until all items in Section 3.4.2 of this LGIP have been received by Transmission Provider during the Cluster Request Window. If an Interconnection Request fails to meet the requirements set forth in Section 3.4.2 of this LGIP, Transmission Provider shall notify Interconnection Customer within five (5) Business Days of receipt of the initial Interconnection Request of the reasons for such failure and that the Interconnection Request does not constitute a valid request. Interconnection Customer shall provide Transmission Provider the additional requested information needed to constitute a valid request within ten (10) Business Days after receipt of such notice but no later than the close of the Cluster Request Window. The opportunity to cure provided in this Section and in Section 3.7 of this LGIP does not extend the deadline for submission of a valid Interconnection Request. At any time, if Transmission Provider finds that the technical data provided by Interconnection Customer is incomplete or contains errors, Interconnection Customer and Transmission Provider shall work expeditiously and in good faith to remedy such issues, subject to applicable deadlines. In the event that Interconnection Customer fails to comply with this Section 3.4.4 of this LGIP, Transmission Provider shall deem the Interconnection Request withdrawn (without the cure period provided under Section 3.7 of this LGIP), the application fee is forfeited to Transmission Provider, and the study deposit and Commercial Readiness Deposit shall be returned to Interconnection Customer.

3.4.5 Customer Engagement Window.

Upon the close of each Cluster Request Window, Transmission Provider shall open a sixty (60) Calendar Day period (Customer Engagement Window). During the Customer Engagement Window, Transmission Provider shall hold a Scoping Meeting with all interested Interconnection Customers. Notwithstanding the preceding requirements and upon written consent of all Interconnection Customers within the Cluster, Transmission Provider may shorten the Customer Engagement Window and begin the Cluster Study. Within ten (10) Business Days of the opening of the Customer Engagement Window, Transmission Provider shall post on its OASIS a list of Interconnection Requests for that Cluster. The list shall identify, for each anonymized Interconnection Request:

(1) the requested amount of Interconnection Service; (2) the location by county and state; (3) the substation or transmission line or lines where the interconnection will be made; (4) the projected In-Service Date; (5) the type of Interconnection Service requested; and (6) the type of Generating Facility or Facilities to be constructed, including fuel types, such as coal, natural gas, solar, or wind. Transmission Provider must ensure that project information is anonymized and does not reveal the identity or commercial information of Interconnection Customers with submitted requests. During the Customer Engagement Window, Transmission Provider shall provide to Interconnection Customer a non-binding updated good faith estimate of the cost and timeframe for completing the Cluster Study and a Cluster Study Agreement to be executed prior to the close of the Customer Engagement Window.

At the end of the Customer Engagement Window, all Interconnection Requests deemed valid that have executed a Cluster Study Agreement in the form of Appendix 2 to this LGIP shall be included in the Cluster Study. Any Interconnection Requests for which Interconnection Customer has not executed a Cluster Study Agreement shall be deemed withdrawn (without the cure period provided under Section 3.7 of this LGIP) by Transmission Provider, the application fee shall be forfeited to Transmission Provider, and Transmission Provider shall return the study deposit and Commercial Readiness Deposit to Interconnection Customer. Immediately following the Customer Engagement Window, Transmission Provider shall initiate the Cluster Study described in Section 7 of this LGIP.

3.4.6 Cluster Study Scoping Meeting.

During the Customer Engagement Window, Transmission Provider shall hold a Scoping Meeting with all Interconnection Customers whose valid Interconnection Requests were received in that Cluster Request Window.

The purpose of the Cluster Study Scoping Meeting shall be to discuss alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would reasonably be expected to impact such interconnection options, to discuss the Cluster Study materials posted to OASIS pursuant to Section 3.5 of this LGIP, if

applicable, and to analyze such information. Transmission Provider and Interconnection Customer(s) will bring to the meeting such technical data, including, but not limited to: (i) general facility loadings, (ii) general instability issues, (iii) general short circuit issues, (iv) general voltage issues, and (v) general reliability issues as may be reasonably required to accomplish the purpose of the meeting.
Transmission Provider and Interconnection Customer(s) will also bring to the meeting personnel and other resources as may be reasonably required to accomplish the purpose of the meeting in the time allocated for the meeting. On the basis of the meeting, Interconnection Customer(s) shall designate its Point of Interconnection. The duration of the meeting shall be sufficient to accomplish its purpose. If the Cluster Study Scoping Meeting consists of more than one Interconnection Customer, Transmission Provider shall issue, no later than fifteen (15) Business Days after the commencement of the Customer Engagement Window, and Interconnection Customer shall execute a non-disclosure agreement prior to a group Cluster Study Scoping Meeting, which will provide for confidentiality of identifying information or commercially sensitive information pertaining to any other Interconnection Customers.

3.5 OASIS Posting.

3.5.1 OASIS Posting.

Transmission Provider will maintain on its OASIS a list of all Interconnection Requests. The list will identify, for each Interconnection Request: (i) the maximum summer and winter megawatt electrical output; (ii) the location by county and state; (iii) the station or transmission line or lines where the interconnection will be made; (iv) the projected In-Service Date; (v) the status of the Interconnection Request, including Queue Position; (vi) the type of Interconnection Service being requested; (vii) the availability of any studies related to the Interconnection Request; (viii) the date of the Interconnection Request; (ix) the type of Generating Facility to be constructed; and (x) for Interconnection Requests that have not resulted in a completed interconnection, an explanation as to why it was not completed. Except in the case of an Affiliate, the list will not disclose the identity of Interconnection Customer until

Interconnection Customer executes an LGIA or requests that Transmission Provider file an unexecuted LGIA with FERC. Before holding a Scoping Meeting with its Affiliate, Transmission Provider shall post on OASIS an advance notice of its intent to do so. Transmission Provider shall post to its OASIS site any deviations from the study timelines set forth herein. Interconnection Study reports and Optional Interconnection Study reports shall be posted to Transmission Provider's OASIS site subsequent to the meeting between Interconnection Customer and Transmission Provider to discuss the applicable study results. Transmission Provider shall also post any known deviations in the Large Generating Facility's In-Service Date.

3.5.2 Requirement to Post Interconnection Study Metrics. Transmission Provider will maintain on its OASIS or its website summary statistics related to processing Interconnection Studies pursuant to Interconnection Requests, updated quarterly. If Transmission Provider posts this information on its website, a link to the information must be provided on Transmission Provider's OASIS site. For each calendar quarter, Transmission Provider must calculate and post the information detailed in Sections 3.5.2.1 through 3.5.2.4 of this LGIP.

3.5.2.1 Interconnection Cluster Study Processing Time.

(A) Number of Interconnection Requests that had Cluster Studies completed within Transmission Provider's coordinated region during the reporting quarter,

(B)Number of Interconnection Requests that had Cluster Studies completed within Transmission Provider's coordinated region during the reporting quarter that were completed more than one hundred fifty (150) Calendar Days after the close of the Customer Engagement Window,

(C)At the end of the reporting quarter, the number of active valid Interconnection Requests with ongoing incomplete Cluster Studies where such Interconnection Requests had executed a Cluster Study Agreement received by Transmission Provider more than one hundred fifty (150) Calendar Days before the reporting quarter end,

(D) Mean time (in days), Cluster Studies completed within Transmission Provider's coordinated region during the reporting quarter, from the commencement of the Cluster Study to the date when Transmission Provider provided the completed Cluster Study Report to Interconnection Customer,

(E) Mean time (in days), Cluster Studies were completed within Transmission Provider's coordinated region during the reporting quarter, from the close of the Cluster Request Window to the date when Transmission Provider provided the completed Cluster Study Report to Interconnection Customer,

(F) Percentage of Cluster Studies exceeding one hundred fifty (150) Calendar Days to complete this reporting quarter, calculated as the sum of Section 3.5.2.1(B) plus Section 3.5.2.1(C) divided by the sum of Section 3.5.2.1(A) plus Section 3.5.2.1(C) of this LGIP.

3.5.2.2 Cluster Restudies Processing Time.

(A) Number of Interconnection Requests that had Cluster Restudies completed within Transmission Provider's coordinated region during the reporting quarter,

(B) Number of Interconnection Requests that had Cluster Restudies completed within Transmission Provider's coordinated region during the reporting quarter that were completed more than one hundred fifty (150) Calendar Days after Transmission Provider notifies Interconnection Customers in the Cluster that a Cluster Restudy is required pursuant to Section 7.5(4) of this LGIP,

(C) At the end of the reporting quarter, the number of active valid Interconnection Requests with ongoing incomplete Cluster Restudies where Transmission Provider notified Interconnection Customers in the Cluster that a Cluster Restudy is required pursuant to Section 7.5(4) of this LGIP more than one hundred fifty

(150) Calendar Days before the reporting quarter end,

(D) Mean time (in days), Cluster Restudies completed within Transmission Provider's coordinated region during the reporting quarter, from the date when Transmission Provider notifies Interconnection Customers in the Cluster that a Cluster Restudy is required pursuant to Section 7.5(4) of this LGIP to the date when Transmission Provider provided the completed Cluster Restudy Report to Interconnection Customer,

(E) Mean time (in days), Cluster Restudies completed within Transmission Provider's coordinated region during the reporting quarter, from the close of the Cluster Request Window to the date when Transmission Provider provided the completed Cluster Restudy Report to Interconnection Customer,

(F) Percentage of Cluster Restudies exceeding one hundred fifty (150) Calendar Days to complete this reporting quarter, calculated as the sum of Section 3.5.2.2(B) plus Section 3.5.2.2(C) divided by the sum of Section 3.5.2.2(A) plus Section 3.5.2.2(C) of this LGIP.

3.5.2.3 Interconnection Facilities Studies Processing Time.

(A) Number of Interconnection Requests that had Interconnection Facilities Studies that are completed within Transmission Provider's coordinated region during the reporting quarter,

(B) Number of Interconnection Requests that had Interconnection Facilities Studies that are completed within Transmission Provider's coordinated region during the reporting quarter that were completed more than ninety (90) Calendar Days after receipt by Transmission Provider of Interconnection Customer's executed Interconnection Facilities Study Agreement,

(C) At the end of the reporting quarter, the number of active valid Interconnection Service requests with

ongoing incomplete Interconnection Facilities Studies where such Interconnection Requests had executed Interconnection Facilities Studies Agreement received by Transmission Provider more than ninety (90) Calendar Days before the reporting quarter end,

(D) Mean time (in days), for Interconnection Facilities Studies completed within Transmission Provider's coordinated region during the reporting quarter, calculated from the date when Transmission Provider received the executed Interconnection Facilities Study Agreement to the date when Transmission Provider provided the completed Interconnection Facilities Study to Interconnection Customer,

(E) Mean time (in days), Interconnection Facilities Studies completed within Transmission Provider's coordinated region during the reporting quarter, from the close of the Cluster Request Window to the date when Transmission Provider provided the completed Interconnection Facilities Study to Interconnection Customer,

(F) Percentage of delayed Interconnection Facilities Studies this reporting quarter, calculated as the sum of Section 3.5.2.3(B) plus Section 3.5.2.3(C) divided by the sum of Section 3.5.2.3(A) plus Section 3.5.2.3(C) of this LGIP.

3.5.2.4 Interconnection Service Requests Withdrawn from Interconnection Queue.

(A) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter,

(B) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter before completion of any Interconnection Studies or execution of any Interconnection Study agreements,

(C) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter before completion of a Cluster Study,

(D) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter before completion of an Interconnection Facilities Study,

(E) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue after completion of an Interconnection Facilities Study but before execution of an LGIA or Interconnection Customer requests the filing of an unexecuted, new LGIA,

(F) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue after execution of an LGIA or Interconnection Customer requests the filing of an unexecuted, new LGIA,

(G) Mean time (in days), for all withdrawn Interconnection Requests, from the date when the request was determined to be valid to when Transmission Provider received the request to withdraw from the queue.

3.5.3

Transmission Provider is required to post on OASIS or its website the measures in Section 3.5.2.1(A) through Section 3.5.2.4(G) for each calendar quarter within thirty (30) Calendar Days of the end of the calendar quarter. Transmission Provider will keep the quarterly measures posted on OASIS or its website for three (3) calendar years with the first required report to be in the first quarter of 2020. If Transmission Provider retains this information on its website, a link to the information must be provided on Transmission Provider's OASIS site.

3.5.4

In the event that any of the values calculated in Sections 3.5.2.1(F), 3.5.2.2(F) or 3.5.2.3(F) exceeds twenty-five percent (25%) for two (2) consecutive calendar quarters, Transmission Provider will have to comply with the measures below for the next four (4) consecutive

calendar quarters and must continue reporting this information until Transmission Provider reports four (4) consecutive calendar quarters without the values calculated in Sections 3.5.2.1(F), 3.5.2.2(F) or 3.5.2.3(F) exceeding twenty- five percent (25%) for two (2) consecutive calendar quarters:

(i) Transmission Provider must submit a report to the Commission describing the reason for each Cluster Study, Cluster Restudy, or individual Interconnection Facilities Study pursuant to one or more Interconnection Request(s) that exceeded its deadline (i.e., 150, 90 or 180 Calendar Days) for completion. Transmission Provider must describe the reasons for each study delay and any steps taken to remedy these specific issues and, if applicable, prevent such delays in the future. The report must be filed at the Commission within forty-five (45) Calendar Days of the end of the calendar quarter.

(ii) Transmission Provider shall aggregate the total number of employee-hours and third party consultant hours expended towards Interconnection Studies within its coordinated region that quarter and post on OASIS or its website. If Transmission Provider posts this information on its website, a link to the information must be provided on Transmission Provider's OASIS site. This information is to be posted within thirty (30) Calendar Days of the end of the calendar quarter.

3.6 Coordination with Affected Systems.

Transmission Provider will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System Operators. Interconnection Customer will cooperate with Transmission Provider and Affected System Operator in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

A Transmission Provider whose system may be impacted by a proposed interconnection on another transmission provider's transmission system shall cooperate with transmission provider with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Transmission Provider's Transmission System.

3.6.1 Initial Notification.

Transmission Provider must notify Affected System Operator of a

potential Affected System impact caused by an Interconnection Request within ten (10) Business Days of the completion of the Cluster Study. At the time of initial notification, Transmission Provider must provide Interconnection Customer with a list of potential Affected Systems, along with relevant contact information.

3.6.2 Notification of Cluster Restudy.

Transmission Provider must notify Affected System Operator of a Cluster Restudy concurrently with its notification of such Cluster Restudy to Interconnection Customers.

3.6.3 Notification of Cluster Restudy Completion.

Upon the completion of Transmission Provider's Cluster Restudy, Transmission Provider will notify Affected System Operator of a potential Affected System impact caused by an Interconnection Request within ten (10) Business Days of the completion of the Cluster Restudy, regardless of whether that potential Affected System impact was previously identified. At the time of the notification of the completion of the Cluster Restudy to the Affected System Operator, Transmission Provider must provide Interconnection Customer with a list of potential Affected System Operators, along with relevant contact information.

3.7 Withdrawal.

Interconnection Customer may withdraw its Interconnection Request at any time by written notice of such withdrawal to Transmission Provider. In addition, if Interconnection Customer fails to adhere to all requirements of this LGIP, except as provided in Section 13.5 (Disputes), Transmission Provider shall deem the Interconnection Request to be withdrawn and shall provide written notice to Interconnection Customer of the deemed withdrawal and an explanation of the reasons for such deemed withdrawal. Upon receipt of such written notice, Interconnection Customer shall have fifteen (15) Business Days in which to either respond with information or actions that cures the deficiency or to notify Transmission Provider of its intent to pursue Dispute Resolution.

Withdrawal shall result in the loss of Interconnection Customer's Queue Position. If an Interconnection Customer disputes the withdrawal and loss of its Queue Position, then during Dispute Resolution, Interconnection Customer's Interconnection Request is eliminated from the queue until such time that the outcome of Dispute Resolution would restore its Queue Position. An Interconnection Customer that withdraws or is deemed to have withdrawn its Interconnection Request shall pay to Transmission Provider

all costs that Transmission Provider prudently incurs with respect to that Interconnection Request prior to Transmission Provider's receipt of notice described above. Interconnection Customer must pay all monies due to Transmission Provider before it is allowed to obtain any Interconnection Study data or results.

If Interconnection Customer withdraws its Interconnection Request or is deemed withdrawn by Transmission Provider under Section 3.7 of this LGIP, Transmission Provider shall (i) update the OASIS Queue Position posting; (ii) impose the Withdrawal Penalty described in Section 3.7.1 of this LGIP; and (iii) refund to Interconnection Customer any portion of the refundable portion of Interconnection Customer's study deposit that exceeds the costs that Transmission Provider has incurred, including interest calculated in accordance with Section 35.19a(a)(2) of FERC's regulations. Transmission Provider shall also refund any portion of the Commercial Readiness Deposit not applied to the Withdrawal Penalty and, if applicable, the deposit in lieu of site control. In the event of such withdrawal, Transmission Provider, subject to the confidentiality provisions of Section 13.1 of this LGIP, shall provide, at Interconnection Customer's request, all information that Transmission Provider developed for any completed study conducted up to the date of withdrawal of the Interconnection Request.

3.7.1 Withdrawal Penalty.

Interconnection Customer shall be subject to a Withdrawal Penalty if it withdraws its Interconnection Request or is deemed withdrawn, or the Generating Facility does not otherwise reach Commercial Operation unless: (1) the withdrawal does not have a material impact on the cost or timing of any Interconnection Request in the same Cluster; (2) Interconnection Customer withdraws after receiving Interconnection Customer's most recent Cluster Restudy Report and the Network Upgrade costs assigned to the Interconnection Request identified in that report have increased by more than twenty-five percent (25%) compared to costs identified in Interconnection Customer's preceding Cluster Study Report or Cluster Restudy Report; or (3) Interconnection Customer withdraws after receiving Interconnection Customer's Interconnection Facilities Study Report and the Network Upgrade costs assigned to the Interconnection Request identified in that report have increased by more than one hundred percent (100%) compared to costs identified in the Cluster Study Report or Cluster Restudy Report. Interconnection Customers with an executed LGIA or that have requested that their LGIA be filed unexecuted

prior to the effective date of this LGIP shall also be subject to withdrawal penalties pursuant to this Section, except as provided in section 5.1.1.

3.7.1.1 Calculation of the Withdrawal Penalty.

If Interconnection Customer withdraws its Interconnection Request or is deemed withdrawn prior to the commencement of the initial Cluster Study, Interconnection Customer shall not be subject to a Withdrawal Penalty. If Interconnection Customer withdraws, is deemed withdrawn, or otherwise does not reach Commercial Operation at any point after the commencement of the initial Cluster Study, that Interconnection Customer's Withdrawal Penalty will be the greater of: (1) Interconnection Customer's study deposit required under Section 3.1.1.1 of this LGIP; or (2) as follows in (a)–(d):

(a) If Interconnection Customer withdraws or is deemed withdrawn during the Cluster Study or after receipt of a Cluster Study Report, but prior to commencement of the Cluster Restudy or Interconnection Facilities Study if no Cluster Restudy is required, Interconnection Customer shall be charged two (2) times its actual allocated cost of all studies performed for Interconnection Customers in the Cluster up until that point in the Interconnection Study process.

(b) If Interconnection Customer withdraws or is deemed withdrawn during the Cluster Restudy or after receipt of any applicable restudy reports issued pursuant to Section 7.5 of this LGIP, but prior to commencement of the Interconnection Facilities Study,

Interconnection Customer shall be charged five percent (5%) its estimated Network Upgrade costs.

(c) If Interconnection Customer withdraws or is deemed withdrawn during the Interconnection Facilities Study, after receipt of the Interconnection Facilities Study Report issued pursuant to Section 8.3 of this LGIP, or after receipt of the draft LGIA but before Interconnection Customer has executed an LGIA or has requested that its LGIA be filed unexecuted, and has satisfied the other requirements described in Section 11.3 of this LGIP (i.e., Site Control demonstration, LGIA Deposit, reasonable evidence of one or more milestones in the development of the Generating Facility), Interconnection Customer shall be charged ten percent (10%) its estimated Network Upgrade costs.

(d) If Interconnection Customer has executed an LGIA or has requested that its LGIA be filed unexecuted and has satisfied the other requirements described in Section 11.3 of this LGIP (i.e., Site Control demonstration, LGIA Deposit, reasonable evidence of one or more milestones in the development of the Generating Facility) and subsequently withdraws its Interconnection Request or if Interconnection Customer's Generating Facility otherwise does not reach Commercial Operation, that Interconnection Customer's Withdrawal Penalty shall be twenty percent (20%) its estimated Network Upgrade costs.

3.7.1.2 Distribution of the Withdrawal Penalty.

3.7.1.2.1 Initial Distribution of Withdrawal Penalties Prior to Assessment of Network Upgrade Costs Previously Shared with Withdrawn Interconnection Customers in the Same Cluster.

For a single Cluster, Transmission Provider shall hold all Withdrawal Penalty funds until all Interconnection Customers in that Cluster have either: (1) withdrawn or been deemed withdrawn; (2) executed an LGIA; or (3) requested an LGIA to be filed unexecuted. Any Withdrawal Penalty funds collected from the Cluster shall first be used to fund studies conducted under the Cluster Study Process for Interconnection Customers in the same Cluster that have executed the LGIA or requested the LGIA to be filed unexecuted. Next, after the Withdrawal Penalty funds are applied to relevant study costs in the same Cluster, Transmission Provider will apply the remaining Withdrawal Penalty funds to reduce net increases, for Interconnection Customers in the same Cluster, in Interconnection Customers' Network Upgrade cost assignment and associated financial security requirements under Article 11.5 of the pro forma LGIA attributable to the impacts of withdrawn Interconnection Customers that shared an obligation with the remaining Interconnection Customers to fund a Network Upgrade, as described in more detail in Sections 3.7.1.2.3 and 3.7.1.2.4.

The total amount of funds used to fund these studies under the Cluster Study Process or those applied to any net increases in Network Upgrade costs for Interconnection Customers in the same Cluster shall not exceed the total amount of Withdrawal Penalty funds collected from the Cluster.

Withdrawal Penalty funds shall first be applied as a refund to invoiced study costs for Interconnection Customers in the same Cluster that did not withdraw within thirty (30) Calendar Days of such Interconnection Customers executing their LGIA or requesting to have their LGIA filed unexecuted. Distribution of Withdrawal Penalty funds within one specific Cluster for study costs shall not exceed the total actual Cluster Study Process costs for the Cluster. Withdrawal Penalty funds applied to study costs shall be allocated within the same Cluster to Interconnection Customers in a manner consistent with Transmission Provider's method in Section 13.3 of this LGIP for allocating the costs of Interconnection Studies conducted on a clustered basis. Transmission Provider shall post the balance of Withdrawal Penalty funds held by Transmission Provider but not yet dispersed on its OASIS site and update this posting on a quarterly basis.

If an Interconnection Customer withdraws after it executes, or requests the unexecuted filing of, its LGIA, Transmission Provider shall first apply such Interconnection Customer's Withdrawal Penalty funds to any restudy costs required due to Interconnection Customer's withdrawal as a credit to as-yet-to be invoiced study costs to be charged to the remaining Interconnection Customers in the same Cluster in a manner consistent with Transmission Provider's method in Section 13.3 of this LGIP for allocating the costs of Interconnection Studies conducted on a clustered basis. Distribution of the Withdrawal Penalty funds for such restudy costs shall not exceed the total actual restudy costs.

3.7.1.2.2 Assessment of Network Upgrade Costs

Previously Shared with Withdrawn Interconnection Customers in the Same Cluster.

If Withdrawal Penalty funds remain for the same Cluster after the Withdrawal Penalty funds are applied to relevant study costs, Transmission Provider will determine if the withdrawn Interconnection Customers, at any point in the Cluster Study Process, shared cost assignment for one or more Network Upgrades with any remaining Interconnection Customers in the same Cluster based on the Cluster Study Report, Cluster Restudy Report(s), Interconnection Facilities Study Report, and any subsequent issued restudy report issued for the Cluster.

In Section 3.7.1.2 of this LGIP, shared cost assignments for Network Upgrades refers to the cost of Network Upgrades still needed for the same Cluster for which an Interconnection Customer, prior to withdrawing its Interconnection Request, shared the obligation to fund along with Interconnection Customers that have executed an LGIA, or requested the LGIA to filed unexecuted.

If Transmission Provider's assessment determines that there are no shared cost assignments for any Network Upgrades in the same Cluster for the withdrawn Interconnection Customer, or determines that the withdrawn Interconnection Customer's withdrawal did not cause a net increase in the shared cost assignment for any remaining Interconnection Customers' Network Upgrade(s) in the same Cluster, Transmission Provider will return any remaining Withdrawal Penalty funds to the withdrawn Interconnection Customer(s).

Such remaining Withdrawal Penalty funds will be returned to withdrawn Interconnection Customers

based on the proportion of each withdrawn Interconnection Customer's contribution to the total amount of Withdrawal Penalty funds collected for the Cluster (i.e., the total amount before the initial disbursement required under Section 3.7.1.2.1 of this LGIP). Transmission Provider must make such disbursement within sixty (60) Calendar Days of the date on which all Interconnection Customers in the same Cluster have either: (1) withdrawn or been deemed withdrawn; (2) executed an LGIA; or (3) requested an LGIA to be filed unexecuted. For the withdrawn Interconnection Customers that Transmission Provider determines have caused a net increase in the shared cost assignment for one or more Network Upgrade(s) in the same Cluster under Section 3.7.1.2.3(a) of this LGIP, Transmission Provider will determine each such withdrawn Interconnection Customers' Withdrawal Penalty funds remaining balance that will be applied toward net increases in Network Upgrade shared costs calculated under Sections 3.7.1.2.3(a) and 3.7.1.2.3(b) of this LGIP based on each such withdrawn Interconnection Customer's proportional contribution to the total amount of Withdrawal Penalty funds collected for the same Cluster (i.e., the total amount before the initial disbursement requirement under Section 3.7.1.2.1 of this LGIP).

If Transmission Provider's assessment determines that there are shared cost assignments for Network Upgrades in the same Cluster, Transmission Provider will calculate the remaining Interconnection Customers' net increase in cost assignment for Network Upgrades due to a shared cost assignment for Network Upgrades with the withdrawn Interconnection Customer and distribute Withdrawal Penalty funds as described in Section 3.7.1.2.3, depending on whether the withdrawal occurred before the withdrawing Interconnection Customer executed the LGIA (or filed unexecuted), as described in Section 3.7.1.2.3(a) of this LGIP, or after such execution (or filing unexecuted) of an LGIA, as

described in Section 3.7.1.2.3(b) of this LGIP.

As discussed in Section 3.7.1.2.4 of this LGIP, Transmission Provider will amend executed (or filed unexecuted) LGIAs of the remaining Interconnection Customers in the same Cluster to apply the remaining Withdrawal Penalty funds to reduce net increases in Interconnection Customers' Network Upgrade cost assignment and associated financial security requirements under Article 11.5 of the pro forma LGIA attributable to the impacts of withdrawn Interconnection Customers on Interconnection Customers remaining in the same Cluster that had a shared cost assignment for Network Upgrades with the withdrawn Interconnection Customers.

3.7.1.2.3 Impact Calculations.

3.7.1.2.3(a) Impact Calculation for Withdrawals During the Cluster Study Process.

If an Interconnection Customer withdraws before it executes, or requests the unexecuted filing of, its LGIA, Transmission Provider will distribute in the following manner the Withdrawal Penalty funds to reduce the Network Upgrade cost impact on the remaining Interconnection Customers in the same Cluster who had a shared cost assignment for a Network Upgrade with the withdrawn Interconnection Customer.

To calculate the reduction in the remaining Interconnection Customers' net increase in Network Upgrade costs and associated financial security requirements under Article 11.5 of the pro forma LGIA, Transmission Provider will determine the financial impact of a withdrawing Interconnection Customer on other Interconnection Customers in the same Cluster that shared an obligation to fund the same Network Upgrade(s). Transmission Provider

shall calculate this financial impact once all Interconnection Customers in the same Cluster either: (1) have withdrawn or have been deemed withdrawn; (2) executed an LGIA; or (3) request an LGIA to be filed unexecuted. Transmission Provider will perform the financial impact calculation using the following steps.

First, Transmission Provider must determine which withdrawn Interconnection Customers shared an obligation to fund Network Upgrades with Interconnection Customers from the same Cluster that have LGIAs that are executed or have been requested to be filed unexecuted. Next, Transmission Provider shall perform the calculation of the financial impact of a withdrawal on another Interconnection Request in the same Cluster by performing a comparison of the Network Upgrade cost estimates between each of the following:

(1) Cluster Study phase to Cluster Restudy phase (if Cluster Restudy was necessary);

(2) Cluster Restudy phase to Interconnection Facilities Study phase (if a Cluster Restudy was necessary);

(3) Cluster Study phase to Interconnection Facilities Study phase (if no Cluster Restudy was performed);

(4) Interconnection Facilities Study phase to any subsequent restudy that was performed before the execution or filing of an unexecuted LGIA;

(5) The Interconnection Facilities Study reflected in the executed, or filed unexecuted, LGIA to any subsequent restudy conducted after the execution or filing of an unexecuted LGIA.

If, based on the above calculations, Transmission Provider determines:

(i) that the costs assigned to an Interconnection Customer in the same Cluster for Network Upgrades that a withdrawn Interconnection Customer shared cost assignment for increased between any two studies, and

(ii) after the impacted Interconnection Customer's LGIA was executed or filed unexecuted, Interconnection Customer's cost assignment for the relevant Network Upgrade is greater than it was prior to the withdrawal of Interconnection Customer in the same Cluster that shared cost assignment for the Network Upgrade, then Transmission Provider shall apply the withdrawn Interconnection Customer's Withdrawal Penalty funds that has not already been applied to study costs in the amount of the financial impact by reducing, in the same Cluster, the remaining Interconnection Customer's Network Upgrade costs and associated financial security requirements under Article 11.5 of the pro forma LGIA.

If Transmission Provider determines that more than one Interconnection Customer in the same Cluster was financially impacted by the same withdrawn Interconnection Customer, Transmission Provider will apply the relevant withdrawn Interconnection Customer's Withdrawal Penalty funds that have not already been applied to study costs to reduce the financial impact to each Interconnection Customer based on each Interconnection Customer's proportional share of the financial impact, as determined by either the Proportional Impact Method if it is a System Network Upgrade or on a per capita basis if it

is a Substation Network Upgrade, as described under Section 4.2.1 of this LGIP.

3.7.1.2.3(b) Impact Calculation for Withdrawals in the Same Cluster After the Cluster Study Process.

If an Interconnection Customer withdraws after it executes, or requests the unexecuted filing of, its LGIA, Transmission Provider will distribute in the following manner the remaining Withdrawal Penalty funds to reduce the Network Upgrade cost impact on the remaining Interconnection Customers in the same Cluster who had a shared cost assignment with the withdrawn Interconnection Customer for one or more Network Upgrades.

Transmission Provider will determine the financial impact on the remaining Interconnection Customers in the same Cluster within thirty (30) Calendar Days after the withdrawal occurs. Transmission Provider will determine that financial impact by comparing the Network Upgrade cost funding obligations Interconnection Customers shared with the withdrawn Interconnection Customer before the withdrawal of Interconnection Customer and after the withdrawal of Interconnection Customer. If that comparison indicates an increase in Network Upgrade costs for an Interconnection Customer, Transmission Provider shall apply the withdrawn Interconnection Customer's Withdrawal Penalty funds to the increased costs each impacted Interconnection Customer in the same Cluster experienced associated with such Network Upgrade(s) in proportion to each Interconnection Customer's increased cost assignment, as determined by Transmission Provider.

3.7.1.2.4 Amending LGIA to Apply Reductions to Interconnection Customer's Assigned Network Upgrade Costs and Associated Financial Security Requirement with Respect to Withdrawals in the Same Cluster.

Within thirty (30) Calendar Days of all Interconnection Customers in the same Cluster having: (1) withdrawn or been deemed withdrawn; (2) executed an LGIA; or (3) requested an LGIA to be filed unexecuted, Transmission Provider must perform the calculations described in Section 3.7.1.2.3(a) of this LGIP and provide such Interconnection Customers with an amended LGIA that provides the reduction in Network Upgrade cost assignment and associated reduction to Interconnection Customer's financial security requirements, under Article 11.5 of the pro forma LGIA, due from Interconnection Customer to Transmission Provider.

Where an Interconnection Customer executes the LGIA (or requests the filing of an unexecuted LGIA) and is later withdrawn or its LGIA is terminated, Transmission Provider must, within thirty (30) Calendar Days of such withdrawal or termination, perform the calculations described in Section 3.7.1.2.3(b) of this LGIP and provide such Interconnection Customers in the same Cluster with an amended LGIA that provides the reduction in Network Upgrade cost assignment and associated reduction to Interconnection Customer's financial security requirements, under Article 11.5 of the pro forma LGIA, due from Interconnection Customer to Transmission Provider.

Any repayment by Transmission Provider to Interconnection Customer under Article 11.4 of the pro forma LGIA of amounts advanced for Network Upgrades after the Generating Facility achieves Commercial Operation shall be limited to Interconnection Customer's total amount of Network Upgrade costs paid and associated financial security provided to Transmission Provider under Article 11.5 of the pro forma LGIA.

3.7.1.2.5 Final Distribution of Withdrawal Penalty Funds.

If Withdrawal Penalty funds remain for the Cluster

after the Withdrawal Penalty funds are applied to relevant study costs and net increases in shared cost assignments for Network Upgrades to remaining Interconnection Customers, Transmission Provider will return any remaining Withdrawal Penalty funds to the withdrawn Interconnection Customers in the same Cluster net of the amount of each withdrawn Interconnection Customer's Withdrawal Penalty funds applied to study costs and net increases in shared cost assignments for Network Upgrades to remaining Interconnection Customers.

3.8 Identification of Contingent Facilities.

The Transmission Provider shall identify Contingent Facilities in the System Impact Study Report (including any restudy reports) using the steps outlined below. The method permits the parties to determine why a specific Contingent Facility was identified and how it relates to the Interconnection Request.

3.8.1 Baseline assumptions.

Transmission Provider uses a technical screening process to identify Contingent Facilities that starts with the baseline assumption that the following are in service: (i) Generating Facilities that are directly interconnected to the Transmission System; (ii) Generating Facilities that are interconnected to Affected Systems where the Affected System(s) have communicated to Transmission Provider, or Transmission Provider otherwise has determined, that such facilities may have an impact on the Interconnection Request; (iii) Generating Facilities that have a pending higher-queued Interconnection Request to interconnect to the Transmission System and their associated Interconnection Facilities and Network Upgrade requirements, to the extent those higher-queued Interconnection Requests have been the subject of a System Impact Study and/or a Facilities Study; (iv) Generating Facilities that executed an interconnection agreement, or requested that an unexecuted interconnection agreement be filed with FERC, and their associated Interconnection Facilities and Network Upgrades; (v) higher-queued requests for transmission service and their associated facilities or upgrade requirements to the extent they have an impact on the Interconnection Request and to the extent that those higher-queued requests for transmission service have been the subject of a System Impact Study and/or a Facilities Study; (vi) Transmission Provider's transmission expansion plan components; and (vii) the transmission expansion plan components of third-party transmission providers, to the extent that Transmission Provider has determined that they have an impact on the Interconnection Request.

With respect to the treatment of higher-queued requests for interconnection service and/or transmission service, in situations in which (a) the higher-queued requests have not yet proceeded through the System Impact Study process to reach the stage where facilities necessary to accommodate the requests have been identified, or (b) facilities associated with higher-queued requests for service change as a result of queue withdrawal or otherwise, Transmission Provider shall adjust its baseline assumptions with the most current information available and produce a re-study System Impact Study Report on Interconnection Customer's Interconnection Request. The re-study report will use the method described in this Section to permit the parties to determine why a specific Contingent Facility was identified and how it relates to the Interconnection Request.

3.8.2. Technical Screening Process. The technical screening process for identifying Contingent Facilities is comprised of the following steps:

Step 1: Identify Potential Contingent Facilities.

Transmission Provider will review all applicable Interconnection and Transmission Service study results for higher-queued Interconnection or Transmission Service Requests to identify any unbuilt Interconnection Facilities and/or Network Upgrades as potential Contingent Facilities to be evaluated pursuant to Steps 2-5 below.

Step 2: Remove a Potential Contingent Facility and Perform Applicable Contingency Analyses. The Transmission Provider will take a potential Contingent Facility (and its associated unbuilt Generating Facility) out of service in its study model and: (a) perform steady state, short circuit, voltage stability, and/or transient stability analyses to determine if the Transmission System demonstrates acceptable pre- and post-contingency system performance, in accordance with current Transmission Provider, WECC, NERC, or Reliability Coordinator criteria or standards; and (b) document the resulting Transmission System performance deficiencies following the analysis in Step 2(a). In implementing this step in situations in which higher-queued clustered requests involve a potential Contingent Facility, Transmission Provider will remove all unbuilt Interconnection Facilities and/or Network Upgrades in the cluster, as well as their associated Generating Facilities in the cluster.

Step 3: Add the proposed Generating Facility into Model and Rerun Contingency Analyses. Transmission Provider will add the proposed Generating Facility into the model after taking the potential Contingent Facility and its associated Generating Facility out of service as provided in Step 2 above, and: (a) perform the same analysis for the added proposed Generating Facility as the analysis outlined in Step 2(a) for the removed potential Contingent Facility; and (b) document the resulting Transmission System performance deficiencies following the analysis in Step 3(a).

Step 4: Apply Threshold and Categorize. If the Transmission System performance deficiencies observed in Step 3(b) are: (a) exacerbated by one percent (1%) or greater than the Transmission System performance deficiencies initially observed in Step 2(b), then the potential Contingent Facility that is individually evaluated in Step 2 will be deemed a Contingent Facility; or (b) exacerbated by less than one percent (1%) than the Transmission System performance deficiencies initially observed in Step 2(b), then the potential Contingent Facility that is individually evaluated in Step 2 will not be deemed a Contingent Facility. The only variation from this analysis will apply to short circuit criteria. For the performance of the short circuit analysis of the Transmission Provider's Transmission System in its Balancing Authority Area, all generation directly connected to the Transmission Provider's Transmission System is assumed to be connected and synchronized to the grid. The fault current at any substation that contains one or more circuit breakers exceeding 95% of the interruption rating of any circuit breaker in the substation where the fault is taken will be considered a Contingent Facility.

Step 5: Repeat for Each Identified Potential Contingent Facility. Transmission Provider will repeat Steps 2-4 for each potential Contingent Facility identified in Step 1.

Step 6: Per Se Contingent Facilities. Notwithstanding Steps 1-5, an Interconnection Facility or Network Upgrade of a higher-queued request for service shall automatically be deemed a Contingent Facility if such Interconnection Facility or Network Upgrade would be necessary for the proper functioning of the proposed Generating Facility's System Protection Facilities (as defined in Appendix 6 to Attachment M of Transmission Provider's OATT).

3.8.3. The Interconnection System Impact Study report will list Contingent Facilities in an appendix, which will include: (a) a description of each Contingent Facility; and (b) the Interconnection Request, transmission service request or planned project for which the Contingent Facility was initially required. This list of Contingent Facilities is subject to updates if a System Impact Study is re-studied pursuant to the Tariff under the LGIP or the provisions governing transmission service requests. In addition, where the Transmission Provider has identified an Affected System pursuant to Section 3.6 and facilities have been identified to mitigate adverse impacts on an Affected System, such facilities shall be included on the list of Contingent Facilities to the extent they have an impact on the Interconnection Request.

3.8.4. If requested by the Interconnection Customer, and if readily available and not commercially sensitive, Transmission Provider will also provide an estimate of the costs of and the in-service date for each Contingent Facility, which may be subject to later updates if a Contingent Facility's estimated costs and in-service dates change.

3.9 Penalties for Failure to Meet Study Deadlines.

(1) Transmission Provider shall be subject to a penalty if it fails to complete a Cluster Study, Cluster Restudy, Interconnection Facilities Study, or Affected Systems Study by the applicable deadline set forth in this LGIP. Transmission Provider must pay the penalty for each late Cluster Study, Cluster Restudy, and Interconnection Facilities Study on a pro rata basis per Interconnection Request to all Interconnection Customer(s) included in the relevant study that did not withdraw, or were not deemed withdrawn, from Transmission Provider's interconnection queue before the missed study deadline, in proportion to each Interconnection Customer's final study cost. Transmission Provider must pay the penalty for a late Affected Systems Study on a pro rata basis per interconnection request to all Affected System Interconnection Customer(s) included in the relevant Affected System Study that did not withdraw, or were not deemed withdrawn, from the host transmission provider's interconnection queue before the missed study deadline, in proportion to each Interconnection Customer's final study cost. The study delay penalty for each late study shall be distributed no later than forty-five (45) Calendar Days after the late study has been completed.

(2) For penalties assessed in accordance with this Section, the penalty amount will be equal to: $1,000 per Business Day for delays of Cluster Studies beyond the applicable deadline set forth in this LGIP; $2,000 per Business Day for delays of Cluster Restudies beyond the applicable deadline set forth in this LGIP; $2,000 per Business Day for delays of Affected System Studies beyond the applicable deadline set forth in this LGIP; and $2,500 per Business Day for delays of Interconnection Facilities Studies beyond the applicable deadline set forth in this LGIP. The total amount of a penalty assessed under this Section shall not exceed: (a) one hundred percent (100%) of the initial study deposit(s) received for all of the Interconnection Requests in the Cluster for Cluster Studies and Cluster Restudies; (b) one hundred percent (100%) of the initial study deposit received for the single Interconnection Request in the study for Interconnection Facilities Studies; and (c) one hundred percent (100%) of the study deposit(s) that Transmission Provider collects for conducting the Affected System Study.

(3) Transmission Provider may appeal to the Commission any penalties imposed under this Section. Any such appeal must be filed no later than forty-five (45) Calendar Days after the late study has been completed.

While an appeal to the Commission is pending, Transmission Provider shall remain liable for the penalty, but need not distribute the penalty until forty- five (45) Calendar Days after (1) the deadline for filing a rehearing request has ended, if no requests for rehearing of the appeal have been filed, or (2) the date that any requests for rehearing of the Commission's decision on the appeal are no longer pending before the Commission. The Commission may excuse Transmission Provider from penalties under this Section for good cause.

(4) No penalty will be assessed under this Section where a study is delayed by ten (10) Business Days or less. If the study is delayed by more than ten (10) Business Days, the penalty amount will be calculated from the first Business Day Transmission Provider misses the applicable study deadline.

(5) If (a) Transmission Provider needs to extend the deadline for a particular study subject to penalties under this Section and (b) all Interconnection Customers or Affected System Interconnection Customers included in the relevant study mutually agree to such an extension, the deadline for that study shall be extended thirty (30) Business Days from the original deadline. In such a scenario, no penalty will be assessed for Transmission Provider missing the original deadline.

(6) No penalties shall be assessed until the third Cluster Study cycle (including any Transitional Cluster Study cycle, but not Transitional Interconnection Facilities Studies) after the Commission-approved effective date of Transmission Provider's filing made in compliance with the Final Rule in Docket No. RM22-14-000.

(7) Transmission Provider must maintain on its OASIS or its public website summary statistics related to penalties assessed under this Section, updated quarterly. For each calendar quarter, Transmission Provider must calculate and post (1) the total amount of penalties assessed under this Section during the previous reporting quarter and (2) the highest penalty assessed under this Section paid to a single Interconnection Customer or Affected System Interconnection Customer during the previous reporting quarter. Transmission Provider must post on its OASIS or its website these penalty amounts for each calendar quarter within thirty (30) Calendar Days of the end of the calendar quarter. Transmission Provider must maintain the quarterly measures posted on its OASIS or its website for three (3) calendar years with the

first required posting to be the third Cluster Study cycle (including any Transitional Cluster Study cycle, but not Transitional Interconnection Facilities Studies) after Transmission Provider transitions to the Cluster Study Process.

Section 4. Interconnection Request Evaluation Process.

Once an Interconnection Customer has submitted a valid Interconnection Request pursuant to Section 3.4 of this LGIP, such Interconnection Request shall become part of Transmission Provider's interconnection queue for further processing pursuant to the following procedures.

4.1 Queue Position.

4.1.1 Assignment of Queue Position.

Transmission Provider shall assign a Queue Position as follows: the Queue Position within the queue shall be assigned based upon the date and time of receipt of all items required pursuant to the provisions of Section 3.4 of this LGIP. All Interconnection Requests submitted and validated in a single Cluster Request Window shall be considered equally queued.

4.1.2 Higher Queue Position.

A higher Queue Position assigned to an Interconnection Request is one that has been placed "earlier" in the queue in relation to another Interconnection Request that is assigned a lower Queue Position.

All requests studied in a single Cluster shall be considered equally queued. Interconnection Customers that are part of Clusters initiated earlier in time than an instant queue shall be considered to have a higher Queue Position than Interconnection Customers that are part of Clusters initiated later than an instant queue.

4.2. General Study Process.

Interconnection Studies performed within the Cluster Study Process shall be conducted in such a manner to ensure the efficient implementation of the applicable regional transmission expansion plan in light of the Transmission System's capabilities at the time of each study and consistent with Good Utility Practice.

Transmission Provider may use subgroups in the Cluster Study Process. In all instances in which Transmission Provider elects to use subgroups in the Cluster Study Process, Transmission Provider must publish the criteria used to define and determine subgroups on its OASIS or public website.

4.2.1 Cost Allocation for Interconnection Facilities and Network Upgrades.

(1) For Network Upgrades identified in Cluster Studies Transmission Provider shall calculate each Interconnection Customer's share of the costs as follows:

(a) Category I, Substation Network Upgrades, including all switching stations, shall be allocated first per capita to Interconnection Facilities interconnecting to the substation at the same voltage level, and then per capita to each Generating Facility sharing the Interconnection Facility.

(b) Category II, which includes all System Network Upgrades outside of Category I, shall be allocated based on the proportional impact of each individual Generating Facility in the Cluster Study on the need for a specific System Network Upgrade. The proportional impact of such Network Upgrades shall be calculated as follows. All transmission lines and transformers identified as Network Upgrades shall be allocated using distribution factor analysis based on the N-1 contingency criteria used in identifying Category II Network Upgrades. Voltage support related Network Upgrades shall be allocated using a voltage impact analysis (based on N-1 contingency criteria) which will identify each Generating Facility's contribution to the voltage violation. Network Upgrades associated with upgrading existing breakers due to short circuit current exceeding breaker capability shall be allocated proportionally based on short circuit current contribution of each request.

(c) An Interconnection Customer that funds

Substation Network Upgrades and/or System Network Upgrades shall be entitled to transmission credits as provided in Article 11.4 of the LGIA.

(2) The costs of any needed Interconnection Facilities identified in the Cluster Study Process will be directly assigned to the Interconnection Customer(s) using such facilities. Where Interconnection Customers in the Cluster agree to share Interconnection Facilities, the cost of such Interconnection Facilities shall be allocated based on the number of Generating Facilities sharing use of such Interconnection Facilities on a per capita basis (i.e., on a per Generating Facility basis), unless Parties mutually agree to a different cost sharing arrangement.

4.3 Transferability of Queue Position.

An Interconnection Customer may transfer its Queue Position to another entity only if such entity acquires the specific Generating Facility identified in the Interconnection Request and the Point of Interconnection does not change.

4.4 Modifications.

Interconnection Customer shall submit to Transmission Provider, in writing, modifications to any information provided in the Interconnection Request. Interconnection Customer shall retain its Queue Position if the modifications are in accordance with Sections 4.4.1, 4.4.2, or 4.4.5 of this LGIP, or are determined not to be Material Modifications pursuant to Section 4.4.3 of this LGIP.

Notwithstanding the above, during the course of the Interconnection Studies, either Interconnection Customer or Transmission Provider may identify changes to the planned interconnection that may improve the costs and benefits (including reliability) of the interconnection, and the ability of the proposed change to accommodate the Interconnection Request. To the extent the identified changes are acceptable to Transmission Provider and Interconnection Customer, such acceptance not to be unreasonably withheld, Transmission Provider shall modify the Point of Interconnection prior to return of the executed Cluster Study Agreement, and Interconnection Customer shall retain its Queue Position.

4.4.1 Prior to the return of the executed Cluster Study Agreement to Transmission Provider, modifications permitted under this Section shall include specifically: (a) a decrease of up to sixty percent (60%) of electrical output (MW) of the proposed project, through either (1) a decrease in plant size or (2) a decrease in Interconnection Service level (consistent with the process described in Section 3.1 of this LGIP) accomplished by applying Transmission Provider- approved injection-limiting equipment; (b) modifying the technical parameters associated with the Large Generating Facility technology or the Large Generating Facility step-up transformer impedance characteristics; and (c) modifying the interconnection configuration. For plant increases, the incremental increase in plant output will go in the next Cluster Request Window for the purposes of cost allocation and study analysis.

4.4.2 Prior to the return of the executed Interconnection Facilities Study Agreement to Transmission Provider, the modifications permitted under this Section shall include specifically: (a) additional fifteen percent (15%) decrease of electrical output of the proposed project through either (1) a decrease in plant size (MW) or (2) a decrease in Interconnection Service level (consistent with the process described in Section 3.1) accomplished by applying Transmission Provider-approved injection-limiting equipment; (b) Large Generating Facility technical parameters associated with modifications to Large Generating Facility technology and transformer impedances; provided, however, the incremental costs associated with those modifications are the responsibility of the requesting Interconnection Customer; and (c) a Permissible Technological Advancement for the Large Generating Facility after the submission of the Interconnection Request. Section 4.4.6 of this LGIP specifies a separate technological change procedure including the requisite information and process that will be followed to assess whether Interconnection Customer's proposed technological advancement under Section 4.4.2(c) of this LGIP is a Material Modification. Section 1 of this LGIP contains a definition of Permissible Technological Advancement.

4.4.3 Prior to making any modification other than those specifically permitted by Sections 4.4.1, 4.4.2, and 4.4.5 of this LGIP, Interconnection Customer may first request that Transmission Provider evaluate whether such modification is a Material

Modification. In response to Interconnection Customer's request, Transmission Provider shall evaluate the proposed modifications prior to making them and inform Interconnection Customer in writing of whether the modifications would constitute a Material Modification. Any change to the Point of Interconnection, except those deemed acceptable under Sections 3.1.2 or 4.4 of this LGIP or so allowed elsewhere, shall constitute a Material Modification. Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification. Transmission Provider shall study the addition of a Generating Facility that includes at least one electric storage resource using operating assumptions (i.e., whether the interconnecting Generating Facility will or will not charge at peak load) that reflect the proposed charging behavior of the Generating Facility as requested by Interconnection Customer, unless Transmission Provider determines that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions.

4.4.3.1 Interconnection Customer may request, and Transmission Provider shall evaluate, the addition to the Interconnection Request of a Generating Facility with the same Point of Interconnection indicated in the initial Interconnection Request, if the addition of the Generating Facility does not increase the requested Interconnection Service level. Transmission Provider must evaluate such modifications prior to deeming them a Material Modification, but only if Interconnection Customer submits them prior to the return of the executed Interconnection Facilities Study Agreement by Interconnection Customer to Transmission Provider. Interconnection Customers requesting that such a modification be evaluated must demonstrate the required Site Control at the time such request is made.

4.4.4 Upon receipt of Interconnection Customer's request for modification permitted under this Section 4.4 of this LGIP, Transmission Provider shall commence and perform any necessary additional studies as soon as practicable, but in no event shall Transmission Provider commence such studies later than thirty (30) Calendar Days after receiving notice of Interconnection Customer's request. Any additional studies resulting from such modification shall be done at Interconnection Customer's cost. Any such request for modification

of the Interconnection Request must be accompanied by any resulting updates to the models described in Attachment A to Appendix 1 of this LGIP.

4.4.5 Extensions of less than three (3) cumulative years in the Commercial Operation Date of the Large Generating Facility to which the Interconnection Request relates are not material and should be handled through construction sequencing. For purposes of this section, the Commercial Operation Date reflected in the initial Interconnection Request shall be used to calculate the permissible extension prior to Interconnection Customer executing an LGIA or requesting that the LGIA be filed unexecuted. After an LGIA is executed or requested to be filed unexecuted, the Commercial Operation Date reflected in the LGIA shall be used to calculate the permissible extension. Such cumulative extensions may not exceed three years including both extensions requested after execution of the LGIA by Interconnection Customer or the filing of an unexecuted LGIA by Transmission Provider and those requested prior to execution of the LGIA by Interconnection Customer or the filing of an unexecuted LGIA by Transmission Provider.

4.4.6 Technological Change Procedures

4.4.6.1 Interconnection Customer Technological Advancement Request.

(a) At any time after the submission of an Interconnection Request, but before the execution of an Interconnection Facility Study Agreement by Interconnection Customer, an Interconnection Customer may submit a written request pursuant to this Section to include additional or substituted technological components for its Large Generating Facility that differ from the description of the Large Generating Facility in its Interconnection Request.

(b) To timely perfect its Technological Advancement Request, Interconnection Customer shall submit the following to Transmission Provider: (i) completed Technological Advancement Request form submitted on the request template provided by Transmission Provider on its OASIS site; (ii) a $25,000 deposit; (iii) an updated version of the Interconnection Request for a Large Generating Facility, found at Appendix 1 of this LGIP, that reflects the data associated with the change in technology that Interconnection Customer seeks to incorporate; (iv) to the extent applicable, updated modeling data.

Updated modeling data is applicable if the technology change results in a change in the time of use of the facility, i.e., from peak to off

peak, or capacity factor of the facility; a change in the steady-state thermal and/or voltage limits of the facility; a change in harmonics; a possible increase in the short circuit capability of the facility; or a possible change in the transient or dynamic response of the facility.

Where a technology change does not fall into one of the categories above, but is a technology change that may reduce the Network Upgrades previously identified in the interconnection study process associated with the Interconnection Customer's Large Generating Facility, the Transmission Provider may require a Technological Advancement Study using updated modeling data for purposes of implementing the identification of Network Upgrades necessary to accommodate the Interconnection Request under this LGIP and for the implementation of the crediting provisions set forth in Section 11.4 of the LGIA. Among the changes that Transmission Provider may evaluate under this Section 4.4.6 include, but are not limited to, advancements that improve, rather than degrade the electrical characteristics of the generating equipment (e.g., the ratings, impedances, efficiencies, capabilities, and performance of the equipment under steady state and dynamic conditions) without changing the real power (MW) output or reactive power (MVAR) output of the Large Generating Facility.

(c) Interconnection Customer's Technological Advancement Request must demonstrate how the proposed technological advancement (i) results in equal to or better electrical performance, (ii) does not increase the Interconnection Customer's requested interconnection service, and (iii) does not cause any reliability concerns (i.e., material impacts to the transmission system, including impacts to short circuit capability limits, steady-state thermal and voltage limits, or dynamic system stability and response).

(d) An Interconnection Customer may have no more than one Technological Advancement Request pending at any one time. If the Technological Advancement Request is submitted during the time allocated under the LGIP for Interconnection Customer to execute and return a System Impact or Facilities Study Agreement to Transmission Provider, the deadline for execution and return of the System Impact or Facilities Study Agreement will be suspended while Transmission Provider analyzes the Technological Advancement Request in accordance with Section 4.4.6.

(e) If Transmission Provider is performing an Interconnection System Impact Study, or other study for the Interconnection Request at the time that Interconnection Customer submits a Technological Advancement Request, Transmission Provider shall suspend work on

any such pending studies until it has completed its analysis of the Technological Advancement Request and any Technological Advancement Study.

(f) Interconnection Customer shall fill in, sign and submit, together with its Technological Advancement Request, a Technological Advancement Study Agreement. A form of Technological Advancement Study Agreement is posted on Transmission Provider's OASIS.

4.4.6.2 Initial Analysis of Technological Advancement Request.

(a) After the Interconnection Customer's Technological Advancement Request is received pursuant to Section 4.4.6.1, the Transmission Provider will perform an initial analysis to determine whether the proposed technological advancement is a Permissible Technological Advancement without the need of additional study.

(b) If the Transmission Provider determines on the basis of its initial analysis that Interconnection Customer has demonstrated that the proposed technological advancement is a Permissible Technological Advancement without the need for additional study, the Transmission Provider will incorporate the technological advancement into Interconnection Customer's Interconnection Request.

(c) If the Transmission Provider determines on the basis of its initial analysis that Interconnection Customer has not demonstrated that the proposed technological advancement is a Permissible Technological Advancement, then the Technological Advancement Request will be treated as a request for modification of the Interconnection Request under Section 4.4.3.

(d) If the Transmission Provider determines on the basis of its initial analysis that further study is required to conclude whether the Technological Advancement Request is a Permissible Technological Advancement, Transmission Provider will require that a Technological Advancement Study be performed at the sole expense of the Interconnection Customer consistent with Sections 4.4.6.3, 4.4.6.4, 4.4.6.5.

(e) Any difference between the deposit provided under Section 4.4.6.1(b) and the actual cost of providing the initial analysis of the request shall be paid to Transmission Provider or refunded to Interconnection Customer, as appropriate, along with an invoice describing any charges.

4.4.6.3 Technological Advancement Study Notification:

If after its initial analysis of a Technological Advancement Request, Transmission Provider determines that a Technological Advancement Study is necessary to determine whether the requested technological advancement constitutes a Permissible Technological Advancement, Transmission Provider shall notify Interconnection Customer in writing that such a study is necessary, and shall perform such study pursuant to Section 4.4.6.4.

4.4.6.4 Technological Advancement Study Procedures:

(a) The Technological Advancement Study shall seek to determine (i) whether the proposed technological advancement is a Permissible Technological Advancement, by focusing on whether the proposed technological advancement will result in equal or better electrical performance than the Large Generating Facility described in the Interconnection Request, and whether the proposed technological advancement will cause any reliability concerns (i.e., material impacts to the transmission system, including impacts to short circuit capability limits, steady-state thermal and voltage limits, or dynamic system stability and response); and (ii) if the proposed technological advancement is determined not to be a Permissible Technological Advancement, whether the proposed technological advancement is a Material Modification. The Technological Advancement Study may include steady-state, reactive power, short circuit/fault duty, stability analyses, and any other appropriate studies that Transmission Provider deems necessary to determine whether the technological advancement results in electrical performance that is equal to or better than the electrical performance expected prior to the technology change, and whether such technological advancement causes any reliability concerns.

(b) Interconnection Customer shall cooperate with Transmission Provider to provide any additional information that Transmission Provider may require to complete the Technological Advancement Study. If the Transmission Provider determines that it requires additional technical information to complete the Technological Advancement Study, Transmission Provider shall notify the Interconnection Customer of the additional technical information required, and Interconnection Customer shall work in good faith with Transmission Provider to promptly provide such information.

(c) Upon completion of the Technological Advancement Study, Transmission Provider shall provide Interconnection Customer notice of its study conclusions. Upon request, Transmission Provider shall also provide Interconnection Customer supporting documentation, subject to confidentiality arrangements consistent with Section 13.1.

(d) If the Technological Advancement Study determines that the proposed technological advancement is either (i) a Permissible Technological Advancement, or (ii) is not a Permissible Technological Advancement but does not constitute a Material Modification, then the Interconnection Request shall be amended to reflect the technological advancement.

(e) If the Technological Advancement Study determines that the proposed technological advancement is not a Permissible Technological Advancement and also constitutes a Material Modification, Transmission Provider shall provide an explanation for this conclusion. Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

(f) Any difference between the deposit provided under Section 4.4.6.1(b) and the actual cost of the study shall be paid to Transmission Provider or refunded to Interconnection Customer, as appropriate, along with an invoice describing any charges.

4.4.6.5 Time for Completing Initial Analysis and Technological Advancement Study.

Within thirty (30) Calendar Days of receipt of the Interconnection Customer's Technological Advancement Request submitted pursuant to Section 4.4.6.1, Transmission Provider shall complete all analysis and study obligations under this Section 4.4.6 and determine whether the Technological Advancement Request is a Permissible Technological Advancement or Material Modification, subject to Interconnection Customer's performance of its obligations under Section 4.4.6.1(f) and Section 4.4.6.4(b).

4.4.6.6 Treatment of Other Interconnection Studies During and After Technological Advancement Study.

Upon completion of the Transmission Provider's initial analysis of a Technological Advancement Request and any Technological Advancement Study, Transmission Provider and Interconnection Customer shall amend any existing Interconnection System Impact Study Agreement, or other Interconnection Study Agreements as necessary to incorporate elements of the requested technological advancement or the results of the Technological Advancement Study. Transmission Provider may require additional time or information to complete or re-run studies that were suspended during the pendency

of the Technological Advancement Request. A single study may be suspended no more than once as a result of a Technological Advancement Request. If a subsequent Technological Advancement Request is received by Transmission Provider in such circumstances, Transmission Provider will process the subsequent Technological Advancement Request as soon as it completes the study that had been previously suspended.

Section 5. Procedures for Interconnection Requests Submitted Prior to Effective Date of the Cluster Study Revisions

5.1 Procedures for Transitioning to the Cluster Study Process.

5.1.1 Any Interconnection Customer assigned a Queue Position as of thirty (30) Calendar Days after April 30, 2024 shall retain that Queue Position subject to the requirements in Sections 5.1.1.1 and 5.1.1.2 of this LGIP. Any Interconnection Customer that fails to meet these requirements shall have its Interconnection Request deemed withdrawn by transmission Provider pursuant to Section 3.7 of this LGIP. In such case, Transmission Provider shall not assess Interconnection Customer any Withdrawal Penalty.

Any Interconnection Customer that has received a final Interconnection Facilities Study Report before the commencement of the studies under the transition process set forth in this Section shall be tendered an LGIA pursuant to Section 11 of this LGIP, and shall not be required to enter this transition process.

Any change to an Interconnection Customer's Interconnection Request after the transition process begins, including, but not limited to, any change to the Large Generating Facility, will remove the Interconnection Request from the transition process and shift it to the first Cluster Request Windows following the transition process(except as provided in Section 5.1.1.2 allowing for a one-time extension in Commercial Operation Date upon entry into the Transitional Cluster Study).

Even if an Interconnection Request is not required to enter the transition process set forth in this section (for example, an Interconnection Request for which an LGIA has been tendered, or an Interconnection Request that is the subject of an LGIA in effect, including effective LGIAs under suspension by Interconnection Customers), the Interconnection Customer shall be subject to a Withdrawal Penalty under Section 3.7 if it withdraws its Interconnection Request or is deemed withdrawn, or the Generating Facility does not otherwise reach Commercial Operation; provided, however, that an Interconnection Customer under an LGIA in effect on or before the Commission-approved effective date of this LGIP shall have a one-time right within thirty (30) Calendar Days after

the Commission-approved effective date of this LGIP to withdraw its Interconnection Request and/or terminate its LGIA without being subject to the Withdrawal Penalty provisions of Section 3.7.

5.1.1.1 Transitional Facilities Study.

An Interconnection Customer that has been tendered an Interconnection Facilities Study Agreement as of thirty (30) Calendar Days after April 30, 2024 may opt to proceed with an Interconnection Facilities Study. Transmission Provider shall tender each eligible Interconnection Customer a Transitional Interconnection Facilities Study Agreement, in the form of Appendix 8 to this LGIP, no later than the Commission-approved effective date of this LGIP. Transmission Provider shall proceed with the Interconnection Facilities Study, provided that Interconnection Customer: (1) meets each of the following requirements; and (2) executes the Transitional Interconnection Facilities Study Agreement within sixty (60) Calendar Days of the Commission-approved effective date of this LGIP. If an eligible Interconnection Customer does not meet these requirements, its Interconnection Request shall be deemed withdrawn without penalty. Transmission Provider must commence the Transitional Interconnection Facilities Study at the conclusion of this sixty (60) Calendar Day period. Transitional Interconnection Facilities Study costs shall be allocated according to the method described in Section 13.3 of this LGIP.

All of the following must be included when an Interconnection Customer returns the Transitional Interconnection Facilities Study Agreement:
(1) A deposit equal to one hundred percent (100%) of the costs identified for Transmission Provider's Interconnection Facilities and Network Upgrades in Interconnection Customer's system impact study report. If Interconnection Customer does not withdraw, the deposit shall be trued up to actual costs once they are known and applied to future construction costs described in Interconnection Customer's eventual

LGIA. Any amounts in excess of the actual construction costs shall be returned to Interconnection Customer within thirty (30) Calendar Days of the issuance of a final invoice for construction costs, in accordance with Article 12.2 of the pro forma LGIA. If Interconnection Customer withdraws or otherwise does not reach Commercial Operation, Transmission Provider shall refund the remaining deposit after the final invoice for study costs and Transitional Withdrawal Penalty is settled. The deposit shall be in the form of an irrevocable letter of credit, cash, a surety bond, or other form of security that is reasonably acceptable to Transmission Provider, where cash deposits shall be treated according to Section 3.7 of this LGIP.

(2) Exclusive Site Control for 100% of the proposed Generating Facility.

Transmission Provider shall conduct each Transitional Interconnection Facilities Study and issue the associated Transitional Interconnection Facilities Study Report within one hundred fifty (150) Calendar Days of the Commission-approved effective date of this LGIP. All identified Transmission Provider's Interconnection Facilities and Network Upgrade costs shall be allocated according to Section 4.2.1 of this LGIP.

After Transmission Provider issues each Transitional Interconnection Facilities Study Report, Interconnection Customer shall proceed pursuant to Section 11 of this LGIP. If Interconnection Customer withdraws its Interconnection Request or if Interconnection Customer's Generating Facility otherwise does not reach Commercial Operation, a Transitional Withdrawal Penalty shall be imposed on Interconnection Customer equal to nine (9) times Interconnection Customer's total study cost incurred since entering Transmission Provider's interconnection queue (including the cost of studies conducted under Section 5 of this LGIP).

Any Interconnection Customer that fails to meet these requirements within sixty (60) Calendar Days of the Commission-approved effective date of this LGIP shall have its Interconnection Request deemed withdrawn by Transmission Provider. An Interconnection Customer that submitted a valid Interconnection Request in the queue cluster window that just closed on March 31, 2024, that does not execute a Transitional Cluster Study Agreement is eligible for return of its full study deposit, including the portion that otherwise would be considered non-refundable under the LGIP previously in effect. In such case, Transmission Provider shall not assess Interconnection Customer any Withdrawal Penalty.

5.1.1.2 Transitional Cluster Study.

An Interconnection Customer with an assigned Queue Position as of thirty (30) Calendar Days after April 30, 2024 (the filing date of this LGIP) may opt to proceed with a Transitional Cluster Study. Transmission Provider shall tender each eligible Interconnection Customer a Transitional Cluster Study Agreement, in the form of Appendix 7 to this LGIP, no later than the Commission-approved effective date of this LGIP. Transmission Provider shall proceed with the Transitional Cluster Study that includes each Interconnection Customer that: (1) meets each of the following requirements listed as (1)–(3) in this section; and (2) executes the Transitional Cluster Study Agreement within sixty (60) Calendar Days of the Commission-approved effective date of this LGIP. All Interconnection Requests that enter the Transitional Cluster Study shall be considered to have an equal Queue Position that is lower than Interconnection Customer(s) proceeding with Transitional Interconnection Facilities Study. If an eligible Interconnection Customer does not meet these requirements, its Interconnection Request shall be deemed withdrawn without penalty. Transmission Provider must commence the Transitional Cluster Study at the conclusion of this sixty (60) Calendar Day period. All identified Transmission Provider's Interconnection Facilities and Network Upgrade costs shall be allocated

according to Section 4.2.1 of this LGIP. Transitional Cluster Study costs shall be allocated according to the method described in Section 13.3 of this LGIP.

Interconnection Customer may make a one-time extension to its requested Commercial Operation Date upon entry into the Transitional Cluster Study, where any such extension shall not result in a Commercial Operation Date later than December 31, 2027.

All of the following must be included when an Interconnection Customer returns the Transitional Cluster Study Agreement:

(1) A selection of either Energy Resource Interconnection Service or Network Resource Interconnection Service.

(2) A deposit of five million dollars ($5,000,000) in the form of an irrevocable letter of credit, cash, a surety bond, or other form of security that is reasonably acceptable to Transmission Provider, where cash deposits will be treated according to Section 3.7 of this LGIP. If Interconnection Customer does not withdraw, the deposit shall be reconciled with and applied towards future construction costs described in the LGIA. Any amounts in excess of the actual construction costs shall be returned to Interconnection Customer within thirty (30) Calendar Days of the issuance of a final invoice for construction costs, in accordance with Article 12.2 of the pro forma LGIA. If Interconnection Customer withdraws or otherwise does not reach Commercial Operation, Transmission Provider must refund the remaining deposit once the final invoice for study costs and Transitional Withdrawal Penalty is settled.

(3) Exclusive Site Control for 100% of the proposed Generating Facility.

Transmission Provider shall conduct the Transitional Cluster Study and issue both an associated interim Transitional Cluster Study Report and an associated

final Transitional Cluster Study Report. The interim Transitional Cluster Study Report shall provide the following information:

- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;

- identification of any thermal overload or voltage limit violations resulting from the interconnection;

- identification of any instability or inadequately damped response to system disturbances resulting from the interconnection; and

Transmission Provider's Interconnection Facilities and Network Upgrades that are expected to be required as a result of the Interconnection Request(s) and a non-binding, good faith estimate of cost responsibility and a non-binding, good faith estimated time to construct.

In addition to the information provided in the interim Transitional Cluster Study Report, the final Transitional Cluster Study Report shall provide a description of, estimated cost of, and schedule for construction of Transmission Provider's Interconnection Facilities and Network Upgrades required to interconnect the Generating Facility to the Transmission System that resolve issues identified in the interim Transitional Cluster Study Report.

The interim and final Transitional Cluster Study Reports shall be issued within three hundred (300) and three hundred sixty (360) Calendar Days of the Commission-approved effective date of this LGIP, respectively, and shall be posted on Transmission Provider's OASIS consistent with the posting of other study results pursuant to Section 3.5.1 of this LGIP. Interconnection Customer shall have thirty (30) Calendar Days to comment on the interim Transitional Cluster Study Report, once it has been received.

After Transmission Provider issues the final Transitional Cluster Study Report, Interconnection Customer shall proceed pursuant to Section 11 of this LGIP. If Interconnection Customer withdraws its Interconnection Request or if Interconnection Customer's Generating Facility otherwise does not reach Commercial Operation, a Transitional Withdrawal Penalty will be imposed on Interconnection Customer equal to nine (9) times Interconnection Customer's total study cost incurred since entering Transmission Provider's interconnection queue (including the cost of studies conducted under Section 5 of this LGIP).

Any Interconnection Customer that fails to meet these requirements within sixty (60) Calendar Days of the Commission-approved effective date of this LGIP shall ha its Interconnection Request deemed withdrawn by Transmission Provider. An Interconnection Customer that submitted a valid Interconnection Request in the queue cluster window that just closed on March 31, 2024, that does not execute a Transitional Cluster Study Agreement is eligible for return of its full study deposit, including the portion that otherwise would be considered non-refundable under the LGIP previously in effect. In such case, Transmission Provider shall not assess Interconnection Customer any Withdrawal Penalty.

5.1.2 Transmission Providers with Existing Cluster Study Processes or Currently in Transition

If Transmission Provider is not conducting a transition process under Section 5.1.1, it will continue processing Interconnection Requests under its current Cluster Study Process. Within sixty (60) Calendar Days of the Commission-approved effective date of this LGIP, Interconnection Customers that have not executed an LGIA or requested an LGIA to be filed unexecuted must meet the requirements of Sections 3.4.2, 7.5, or 8.1 of this LGIP, based on Interconnection Customer's Queue Position.

Any Interconnection Customer that fails to meet these requirements within sixty (60) Calendar Days of the Commission-approved effective date of this LGIP shall have its Interconnection Request deemed withdrawn by Transmission Provider pursuant to Section 3.7 of this LGIP. In such case, Transmission Provider shall not assess Interconnection Customer any Withdrawal Penalty.

5.2 New Transmission Provider.

If Transmission Provider transfers control of its Transmission System to a successor Transmission Provider during the period when an Interconnection Request is pending, the original Transmission Provider shall transfer to the successor Transmission Provider any amount of the deposit or payment with interest thereon that exceeds the cost that it incurred to evaluate the request for interconnection. Any difference between such net amount and the deposit or payment required by this LGIP shall be paid by or refunded to Interconnection Customer, as appropriate. The original Transmission Provider shall coordinate with the successor Transmission Provider to complete any Interconnection Study, as appropriate, that the original Transmission Provider has begun but has not completed. If Transmission Provider has tendered a draft LGIA to Interconnection Customer but Interconnection Customer has not either executed the LGIA or requested the filing of an unexecuted LGIA with FERC, unless otherwise provided, Interconnection Customer must complete negotiations with the successor Transmission Provider.

Section 6. Interconnection Information Access

6.1 Publicly Posted Interconnection Information.

Transmission Provider shall maintain and make publicly available: (1) an interactive visual representation of the estimated incremental injection capacity (in megawatts) available at each point of interconnection in Transmission Provider's footprint under N-1 conditions, and (2) a table of metrics concerning the estimated impact of a potential Generating Facility on Transmission Provider's Transmission System based on a user-specified addition of a particular number of megawatts at a particular voltage level at a particular point of interconnection. At a minimum, for each transmission facility impacted by the user-specified megawatt addition, the following information will be provided in the table: (1) the distribution factor; (2) the megawatt impact (based on the megawatt values of the proposed Generating Facility and the

distribution factor); (3) the percentage impact on each impacted transmission facility (based on the megawatt values of the proposed Generating Facility and the facility rating); (4) the percentage of power flow on each impacted transmission facility before the injection of the proposed project; (5) the percentage power flow on each impacted transmission facility after the injection of the proposed Generating Facility. These metrics must be calculated based on the power flow model of the Transmission System with the transfer simulated from each point of interconnection to the whole Transmission Provider's footprint (to approximate Network Resource Interconnection Service), and with the incremental capacity at each point of interconnection decremented by the existing and queued Generating Facilities (based on the existing or requested interconnection service limit of the generation). These metrics must be updated within thirty (30) Calendar Days after the completion of each Cluster Study and Cluster Restudy. This information must be publicly posted, without a password or a fee. The website will define all underlying assumptions, including the name of the most recent Cluster Study or Restudy used in the Base Case.

Section 7. Cluster Study

7.1 Cluster Study Agreement.

No later than five (5) Business Days after the close of a Cluster Request Window, Transmission Provider shall tender to each Interconnection Customer that submitted a valid Interconnection Request a Cluster Study Agreement in the form of Appendix 2 to this LGIP. The Cluster Study Agreement shall require Interconnection Customer to compensate Transmission Provider for the actual cost of the Cluster Study pursuant to Section 13.3 of this LGIP. The specifications, assumptions, or other provisions in the appendices of the Cluster Study Agreement provided pursuant to Section 7.1 of this LGIP shall be subject to change by Transmission Provider following the conclusion of the Scoping Meeting.

7.2 Execution of Cluster Study Agreement.

Interconnection Customer shall execute the Cluster Study Agreement and deliver the executed Cluster Study Agreement to Transmission Provider no later than the close of the Customer Engagement Window.

If Interconnection Customer does not provide all required technical data when it delivers the Cluster Study Agreement, Transmission Provider shall notify Interconnection Customer of the deficiency within five (5) Business Days of the receipt of the executed Cluster Study Agreement and Interconnection Customer shall cure the deficiency within ten (10) Business Days of receipt of the notice, provided, however, such deficiency does not include failure to deliver the executed Cluster Study Agreement or study deposit.

7.3 Scope of Cluster Study.

The Cluster Study shall evaluate the impact of the proposed interconnection on the reliability of the Transmission System. The Cluster Study will consider the Base Case as well as all Generating Facilities (and with respect to (iii) below, any identified Network Upgrades associated with such higher queued interconnection) that, on the date the Cluster Study is commenced:
(i) are directly interconnected to the Transmission System; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending higher queued Interconnection Request to interconnect to the Transmission System; and (iv) have no Queue Position but have executed an LGIA or requested that an unexecuted LGIA be filed with FERC.

For purposes of determining necessary Interconnection Facilities and Network Upgrades, the Cluster Study shall use the level of Interconnection Service requested by Interconnection Customers in the Cluster, except where Transmission Provider otherwise determines that it must study the full Generating Facility Capacity due to safety or reliability concerns.

The Cluster Study will consist of power flow, stability, short circuit and, as appropriate, Electromagnetic transient (EMT) analyses, the results of which are documented in a Cluster Study Report. In determining whether an EMT analysis is appropriate, the considerations taken into account by Transmission Provider will include the fuel types of the Large Generating Facilities in the Cluster, the total MWs of Generating Capacity represented in the Cluster, and the presence of multiple Large Generating Facilities within a discrete portion of the Transmission System.

The Cluster Study will be conducted in two phases. The first phase (Phase I), will focus on power flow analysis, the results of which will be provided by Transmission Provider to the Interconnection

Customers in the Cluster, including a preliminary identification of the Interconnection Facilities and Network Upgrades expected to be required to reliably interconnect the Generating Facilities in that Cluster Study at the requested Interconnection Service level and shall provide non-binding cost estimates for required Network Upgrades.

The date on which Transmission Provider provides its Phase I results to the Interconnection Customer shall trigger a ten (10) Calendar Day period during which each Interconnection Customer may opt to instruct Transmission Provider that it does not desire to have its Interconnection Request studied further. Any Interconnection Request that does not proceed into the second phase of the Cluster Study will be deemed withdrawn, and a re-study of Phase I will be performed. After Phase I is concluded, the Transmission Provider will then conduct the second phase of the Cluster Study (Phase II), which will include transient dynamic (stability) analysis, short circuit analysis, and, as appropriate, EMT analysis.

The penalties for withdrawals occurring at any stage during the Cluster Study will be calculated pursuant to section 3.7.1 of this LGIP after the conclusion of Phase II.
At the conclusion of the Cluster Study, Transmission Provider shall issue a Cluster Study Report. The Cluster Study Report will state the assumptions upon which it is based; state the results of the analyses; and provide the requirements or potential impediments to providing the requested Interconnection Service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. The Cluster Study Report shall identify the Interconnection Facilities and Network Upgrades expected to be required to reliably interconnect the Generating Facilities in that Cluster Study at the requested Interconnection Service level and shall provide non-binding cost estimates for required Network Upgrades. The Cluster Study Report shall identify each Interconnection Customer's estimated allocated costs for Interconnection Facilities and Network Upgrades pursuant to the method in Section 4.2.1 of this LGIP. Transmission Provider shall hold a Cluster Report meeting pursuant to Section 7.4 of this LGIP.

For purposes of determining necessary Interconnection Facilities and Network Upgrades, the Cluster Study shall use operating assumptions (i.e., whether the interconnecting Generating Facility

will or will not charge at peak load) that reflect the proposed charging behavior of a Generating Facility that includes at least one electric storage resource as requested by Interconnection Customer, unless Transmission Provider determines that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions.

Transmission Provider may require the inclusion of control technologies sufficient to limit the operation of the Generating Facility per the operating assumptions as set forth in the Interconnection Request and to respond to dispatch instructions by Transmission Provider. As determined by Transmission Provider, Interconnection Customer may be subject to testing and validation of those control technologies consistent with Article 6 of the LGIA.

The Cluster Study shall evaluate the use of static synchronous compensators, static VAR compensators, advanced power flow control devices, transmission switching, synchronous condensers, voltage source converters, advanced conductors, and tower lifting. Transmission Provider shall evaluate each identified alternative transmission technology and determine whether the above technologies should be used, consistent with Good Utility Practice, Applicable Reliability Standards, and Applicable Laws and Regulations.

Transmission Provider shall include an explanation of the results of Transmission Provider's evaluation for each technology in the Cluster Study Report.

The Cluster Study Report will provide a list of facilities that are required as a result of the Interconnection Requests within the Cluster and a non- binding good faith estimate of cost responsibility and a non-binding good faith estimated time to construct.

7.4 Cluster Study Procedures.

Transmission Provider shall coordinate the Cluster Study with any Affected System Operator that is affected by the Interconnection Request pursuant to Section 3.6 of this LGIP. Transmission Provider shall utilize existing studies to the extent practicable when it performs the Cluster Study. Interconnection Requests for a Cluster Study may be submitted only within the Cluster Request Window and Transmission Provider shall initiate the Cluster Study Process

pursuant to Section 7 of this LGIP.

Transmission Provider shall complete the Cluster Study within one hundred fifty (150) Calendar Days of the close of the Customer Engagement Window.

Within ten (10) Business Days of simultaneously furnishing a Cluster Study Report to each Interconnection Customer within the Cluster and posting such report on OASIS, Transmission Provider shall convene a Cluster Study Report Meeting.
At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required time frame for completing the Cluster Study, Transmission Provider shall notify Interconnection Customers as to the schedule status of the Cluster Study. If Transmission Provider is unable to complete the Cluster Study within the time period, it shall notify Interconnection Customers and provide an estimated completion date with an explanation of the reasons why additional time is required. Upon request, Transmission Provider shall provide Interconnection Customers all supporting documentation, workpapers and relevant pre-Interconnection Request and post-Interconnection Request power flow, short circuit and stability databases for the Cluster Study, subject to confidentiality arrangements consistent with Section 13.1 of this LGIP.

7.5 Cluster Study Restudies.

(1) Within twenty (20) Calendar Days after the Cluster Study Report Meeting, Interconnection Customer must provide the following:

(a) Demonstration of continued Site Control pursuant to Section 3.4.2(iii) of this LGIP; and

(b) An additional deposit that brings the total Commercial Readiness Deposit submitted to Transmission Provider to five percent (5%) of Interconnection Customer's Network Upgrade cost assignment identified in the Cluster Study in the form of an irrevocable letter of credit, cash, a surety bond, or other form of security that is reasonably acceptable to Transmission Provider. Transmission Provider shall refund the deposit to Interconnection Customer upon withdrawal in accordance with Section 3.7 of this LGIP.

Interconnection Customer shall promptly inform Transmission Provider of any material change to Interconnection Customer's demonstration of Site Control under Section 3.4.2(iii) of this LGIP. Upon Transmission Provider determining that Interconnection Customer no longer satisfies the Site Control requirement, Transmission Provider shall notify Interconnection Customer. Within ten (10) Business Days of such notification, Interconnection Customer must demonstrate compliance with the applicable requirement subject to Transmission Provider's approval, not to be unreasonably withheld. Absent such demonstration, Transmission Provider shall deem the subject Interconnection Request withdrawn pursuant to Section 3.7 of this LGIP.

(2) If no Interconnection Customer withdraws from the Cluster after completion of the Cluster Study or Cluster Restudy or is deemed withdrawn pursuant to Section 3.7 of this LGIP after completion of the Cluster Study or Cluster Restudy, Transmission Provider shall notify Interconnection Customers in the Cluster that a Cluster Restudy is not required.

(3) If one or more Interconnection Customers withdraw from the Cluster or are deemed withdrawn pursuant to Section 3.7 of this LGIP, Transmission Provider shall determine if a Cluster Restudy is necessary within thirty (30) Calendar Days after the Cluster Study Report Meeting. If Transmission Provider determines a Cluster Restudy is not necessary, Transmission Provider shall notify Interconnection Customers in the Cluster that a Cluster Restudy is not required and Transmission Provider shall provide an updated Cluster Study Report within thirty (30) Calendar Days of such determination.

(4) If one or more Interconnection Customers withdraws from the Cluster or is deemed withdrawn pursuant to Section 3.7 of this LGIP, and Transmission Provider determines a Cluster Restudy is necessary as a result, Transmission Provider shall notify Interconnection Customers in the Cluster and post on OASIS that a Cluster Restudy is required within thirty (30) Calendar Days after the Cluster Study Report Meeting. Transmission Provider shall continue with such restudies until Transmission Provider determines that no further restudies are required. If an Interconnection Customer withdraws or is deemed withdrawn pursuant to Section 3.7 of this LGIP during the Interconnection Facilities Study, or after other

Interconnection Customers in the same Cluster have executed LGIAs, or requested that unexecuted LGIAs be filed, and Transmission Provider determines a Cluster Restudy is necessary, the Cluster shall be restudied. If a Cluster Restudy is required due to a higher queued project withdrawing from the queue, or a modification of a higher or equally queued project subject to Section 4.4 of this LGIP, Transmission Provider shall so notify affected Interconnection Customers in writing. Except as provided in Section 3.7 of this LGIP in the case of withdrawing Interconnection Customers, any cost of Restudy shall be borne by Interconnection Customers being restudied.

(5) The scope of any Cluster Restudy shall be consistent with the scope of an initial Cluster Study pursuant to Section 7.3 of this LGIP. Transmission Provider shall complete the Cluster Restudy within one hundred fifty (150) Calendar Days of Transmission Provider informing Interconnection Customers in the Cluster that restudy is needed. The results of the Cluster Restudy shall be combined into a single report (Cluster Restudy Report). Transmission Provider shall hold a meeting with Interconnection Customers in the Cluster (Cluster Restudy Report Meeting) within ten (10) Business Days of simultaneously furnishing the Cluster Restudy Report to each Interconnection Customer in the Cluster Restudy and publishing the Cluster Restudy Report on OASIS.

If additional restudies are required, Interconnection Customer and Transmission Provider shall follow the procedures of this Section 7.5 of this LGIP until such time that Transmission Provider determines that no further restudies are required. Transmission Provider shall notify each Interconnection Customer within the Cluster when no further restudies are required.

Section 8. Interconnection Facilities Study

8.1 Interconnection Facilities Study Agreement.

Within five (5) Business Days following Transmission Provider notifying each Interconnection Customer within the Cluster that no further Cluster Restudy is required (per Section 7.5 of this LGIP), Transmission Provider shall provide to Interconnection Customer an Interconnection Facilities Study Agreement in the form of Appendix 3 to this LGIP. Interconnection Customer shall compensate

Transmission Provider for the actual cost of the Interconnection Facilities Study. Within five (5) Business Days following the Cluster Report Meeting or Cluster Restudy Report Meeting if applicable, Transmission Provider shall provide to Interconnection Customer a non-binding good faith estimate of the cost and timeframe for completing the Interconnection Facilities Study.
Interconnection Customer shall execute the Interconnection Facilities Study Agreement and deliver the executed Interconnection Facilities Study Agreement to Transmission Provider within thirty (30) Calendar Days after its receipt, together with:

(1) any required technical data;

(2) Demonstration of one-hundred percent (100%) Site Control or demonstration of a regulatory limitation and applicable deposit in lieu of Site Control provided to Transmission Provider in accordance with Section 3.4.2 of this LGIP; and

(3) An additional deposit that brings the total Commercial Readiness Deposit submitted to Transmission Provider to ten percent (10%) of Interconnection Customer's Network Upgrade cost assignment identified in the Cluster Study or Cluster Restudy, if applicable, in the form of an irrevocable letter of credit, cash, a surety bond, or other form of security that is reasonably acceptable to Transmission Provider. Transmission Provider shall refund the deposit to Interconnection Customer upon withdrawal in accordance with Section 3.7 of this LGIP.

Interconnection Customer shall promptly inform Transmission Provider of any material change to Interconnection Customer's demonstration of Site Control under Section 3.4.2(iii) of this LGIP. Upon Transmission Provider determining separately that Interconnection Customer no longer satisfies the Site Control requirement, Transmission Provider shall notify Interconnection Customer. Within ten (10) Business Days of such notification, Interconnection Customer must demonstrate compliance with the applicable requirement subject to Transmission Provider's approval, not to be unreasonably withheld. Absent such demonstration, Transmission Provider shall deem the subject Interconnection Request withdrawn pursuant to Section 3.7 of this LGIP.

8.2 Scope of Interconnection Facilities Study.

The Interconnection Facilities Study shall be specific to each Interconnection Request and performed on an individual, i.e., non-clustered, basis. The Interconnection Facilities Study shall specify and provide a non-binding estimate of the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Cluster Study Report (and any associated restudies) in accordance with Good Utility Practice to physically and electrically connect the Interconnection Facilities to the Transmission System. The Interconnection Facilities Study shall also identify the electrical switching configuration of the connection equipment, including, without limitation: the transformer, switchgear, meters, and other station equipment; the nature and estimated cost of any Transmission Provider's Interconnection Facilities and Network Upgrades necessary to accomplish the interconnection; and an estimate of the time required to complete the construction and installation of such facilities. The Interconnection Facilities Study will also identify any potential control equipment for (1) requests for Interconnection Service that are lower than the Generating Facility Capacity, and/or (2) requests to study a Generating Facility that includes at least one electric storage resource using operating assumptions (i.e., whether the interconnecting Generating Facility will or will not charge at peak load) that reflect its proposed charging behavior, as requested by Interconnection Customer, unless Transmission Provider determines that Good Utility Practice, including Applicable Reliability Standards, otherwise require the use of different operating assumptions.

8.3 Interconnection Facilities Study Procedures.

Transmission Provider shall coordinate the Interconnection Facilities Study with any Affected System Operator pursuant to Section 3.6 of this LGIP. Transmission Provider shall utilize existing studies to the extent practicable in performing the Interconnection Facilities Study. Transmission Provider shall complete the study and issue a draft Interconnection Facilities Study Report to Interconnection Customer within the following number of days after receipt of an executed Interconnection Facilities Study Agreement: ninety (90) Calendar Days after receipt of an executed Interconnection Facilities Study Agreement, with no more than a +/- twenty percent (20%) cost estimate contained in the report; or one hundred eighty (180) Calendar Days, if Interconnection Customer requests a +/- ten

percent (10%) cost estimate.

At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required time frame for completing the Interconnection Facilities Study, Transmission Provider shall notify Interconnection Customer as to the schedule status of the Interconnection Facilities Study. If Transmission Provider is unable to complete the Interconnection Facilities Study and issue a draft Interconnection Facilities Study *R*eport within the time required, it shall notify Interconnection Customer and provide an estimated completion date and an explanation of the reasons why additional time is required.

Interconnection Customer may, within thirty (30) Calendar Days after receipt of the draft Interconnection Facilities Study Report, provide written comments to Transmission Provider, which Transmission Provider shall include in completing the final Interconnection Facilities Study Report.

Transmission Provider shall issue the final Interconnection Facilities Study Report within fifteen (15) Business Days of receiving Interconnection Customer's comments or promptly upon receiving Interconnection Customer's statement that it will not provide comments. Transmission Provider may reasonably extend such fifteen (15) Business Day period upon notice to Interconnection Customer if Interconnection Customer's comments require Transmission Provider to perform additional analyses or make other significant modifications prior to the issuance of the final Interconnection Facilities Study Report. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation, workpapers, and databases or data developed in the preparation of the Interconnection Facilities Study, subject to confidentiality arrangements consistent with Section 13.1 of this LGIP.

8.4 Meeting with Transmission Provider.

Within ten (10) Business Days of providing a draft Interconnection Facilities Study *R*eport to Interconnection Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Interconnection Facilities Study.

8.5 Restudy.

If restudy of the Interconnection Facilities Study is required due to a

higher or equally queued project withdrawing from the queue or a modification of a higher or equally queued project pursuant to Section 4.4 of this LGIP, Transmission Provider shall so notify Interconnection Customer in writing. Transmission Provider shall ensure that such restudy takes no longer than sixty (60) Calendar Days from the date of notice. Except as provided in Section 3.7 of this LGIP in the case of withdrawing Interconnection Customers, any cost of restudy shall be borne by Interconnection Customer being restudied.

Section 9. Affected System Study.

9.1 Applicability.

This Section 9 outlines the duties of Transmission Provider when it receives notification that an Affected System Interconnection Customer's proposed interconnection to its host transmission provider may impact Transmission Provider's Transmission System.

9.2 Response to Notifications.

9.2.1 Response to Initial Notification.

When Transmission Provider receives initial notification either following the Cluster Study or a Cluster Restudy that an Affected System Interconnection Customer's proposed interconnection to its host transmission provider may impact Transmission Provider's Transmission System, Transmission Provider must respond in writing within twenty (20) Business Days whether it intends to conduct an Affected System Study.

By fifteen (15) Business Days after Transmission Provider responds with its affirmative intent to conduct an Affected System Study, Transmission Provider shall share with Affected System Interconnection Customer(s) and the Affected System Interconnection Customer's host transmission provider a non- binding good faith estimate of the cost and the schedule to complete the Affected System Study.

9.2.2 Response to Notification of Cluster Restudy.

Within five (5) Business Days of receipt of notification of Cluster Restudy, Transmission Provider will send written

notification to Affected System Interconnection Customer(s) involved in the Cluster Restudy and the host transmission provider that Transmission Provider intends to delay a planned or in-progress Affected System Study until after completion of the Cluster Restudy. If Transmission Provider decides to delay the Affected System Study, it is not required to meet its obligations under Section 9 of this LGIP until the time that it receives notification from the host transmission provider that the Cluster Restudy is complete. If Transmission Provider decides to move forward with its Affected System Study despite the Cluster Restudy, then it must meet all requirements under Section 9 of this LGIP.

9.3 Affected System Queue Position.

Transmission Provider must assign an Affected System Queue Position to Affected System Interconnection Customer(s) that require(s) an Affected System Study. Such Affected System Queue Position shall be assigned based upon the date of execution of the Affected System Study Agreement. Relative to Transmission Provider's Interconnection Customers, this Affected System Queue Position shall be higher-queued than any Cluster that has not yet received its Cluster Study Report and shall be lower-queued than any Cluster that has already received its Cluster Study Report. Consistent with Section 9.7 of this LGIP, Transmission Provider shall study the Affected System Interconnection Customer(s) via Clustering, and all Affected System Interconnection Customers studied in the same Cluster under Section 9.7 of this LGIP shall be equally queued. For Affected System Interconnection Customers that are equally queued, the Affected System Queue Position shall have no bearing on the assignment of Affected System Network Upgrades identified in the applicable Affected System Study. The costs of the Affected System Network Upgrades shall be allocated among the Affected System Interconnection Customers in accordance with Section 9.9 of this LGIP.

9.4 Affected System Study Agreement/Multiparty Affected System Study Agreement.

Unless otherwise agreed, Transmission Provider shall provide to Affected System Interconnection Customer(s) an Affected System Study Agreement/Multiparty Affected System Study Agreement, in the form of Appendix 9 or Appendix 10 to this LGIP, as applicable, within ten (10) Business Days of Transmission Provider sharing the

schedule for the Affected System Study per Section 9.2.1 of this LGIP. The Affected System Study Agreement will define the required Affected System Study deposit based on a good faith estimate but the Affected System Interconnection Customer is required to compensate the Transmission Provider for the actual cost of the study.

Upon Affected System Interconnection Customer(s)' receipt of the Affected System Study Report, Affected System Interconnection Customer(s) shall compensate Transmission Provider for the actual cost of the Affected System Study. Any difference between the study deposit and the actual cost of the Affected System Study shall be paid by or refunded to the Affected System Interconnection Customer(s). Any invoices for the Affected System Study shall include a detailed and itemized accounting of the cost of the study. Affected System Interconnection Customer(s) shall pay any excess costs beyond the already-paid Affected System Study deposit or be reimbursed for any costs collected over the actual cost of the Affected System Study within thirty (30) Calendar Days of receipt of an invoice thereof. If Affected System Interconnection Customer(s) fail to pay such undisputed costs within the time allotted, it shall lose its Affected System Queue Position. Transmission Provider shall notify Affected System Interconnection Customer's host transmission provider of such failure to pay.

9.5 Execution of Affected System Study Agreement/Multiparty Affected System Study Agreement.

Affected System Interconnection Customer(s) shall execute the Affected System Study Agreement/Multiparty Affected System Study Agreement, deliver the executed Affected System Study Agreement/Multiparty Affected System Study Agreement to Transmission Provider, and provide the Affected System Study deposit within ten (10) Business Days of receipt. If Transmission Provider notifies Affected System Interconnection Customer(s) that it will delay the Affected System Study pursuant to Section 9.2.2 of this LGIP, Affected System Interconnection Customer(s) are neither required to execute and return the previously tendered Affected System Study/Multiparty Affected System Study Agreement nor provide the Affected System Study deposit for the previously tendered Affected System Study/Multiparty Affected System Study Agreement.

If Affected System Interconnection Customer does not provide all required technical data when it delivers the Affected System Study Agreement/Multiparty Affected System Study Agreement, Transmission Provider shall notify the deficient Affected System Interconnection Customer, as well as the host transmission provider with which Affected System Interconnection Customer seeks to interconnect, of the technical data deficiency within five (5) Business Days of the receipt of the executed Affected System Study Agreement/Multiparty Affected System Study Agreement and the deficient Affected System Interconnection Customer shall cure the technical deficiency within ten (10) Business Days of receipt of the notice: provided, however, that such deficiency does not include failure to deliver the executed Affected System Study Agreement/Multiparty Affected System Study Agreement or deposit for the Affected System Study Agreement/Multiparty Affected System Study Agreement. If Affected System Interconnection Customer does not cure the technical data deficiency within the cure period or fails to execute the Affected System Study Agreement/Multiparty Affected System Study Agreement or provide the deposit, the Affected System Interconnection Customer shall lose its Affected System Queue Position.

9.6 Scope of Affected System Study.

The Affected System Study shall evaluate the impact that any Affected System Interconnection Customer's proposed interconnection to another transmission provider's transmission system will have on the reliability of Transmission Provider's Transmission System. The Affected System Study shall consider the Base Case as well as all Generating Facilities (and with respect to (iii) below, any identified Affected System Network Upgrades associated with such higher-queued Interconnection Request) that, on the date the Affected System Study is commenced: (i) are directly interconnected to Transmission Provider's Transmission System; (ii) are directly interconnected to another transmission provider's transmission system and may have an impact on Affected System Interconnection Customer's interconnection request; (iii) have a pending higher-queued Interconnection Request to interconnect to Transmission Provider's Transmission System; and (iv) have no queue position but have executed an LGIA or requested that an unexecuted LGIA be filed with FERC. Transmission Provider has no obligation to study impacts of

Affected System Interconnection Customers of which it is not notified.

The Affected System Study shall consist of a power flow, stability, and short circuit analysis. The Affected System Study Report will: state the assumptions upon which it is based; state the results of the analyses; and provide the potential impediments to Affected System Interconnection Customer's receipt of interconnection service on its host transmission provider's transmission system, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. For purposes of determining necessary Affected System Network Upgrades, the Affected System Study shall consider the level of interconnection service requested in megawatts by Affected System Interconnection Customer, unless otherwise required to study the full generating facility capacity due to safety or reliability concerns. The Affected System Study Report shall provide a list of facilities that are required as a result of Affected System Interconnection Customer's proposed interconnection to another transmission provider's system, a non-binding good faith estimate of cost responsibility, and a non-binding good faith estimated time to construct. The Affected System Study may consist of a system impact study, a facilities study, or some combination thereof.

9.7 Affected System Study Procedures.

Transmission Provider shall use Clustering in conducting the Affected System Study and shall use existing studies to the extent practicable, when multiple Affected System Interconnection Customers that are part of a single Cluster may cause the need for Affected System Network Upgrades. Transmission Provider shall complete the Affected System Study and provide the Affected System Study Report to Affected System Interconnection Customer(s) and the host transmission provider with whom interconnection has been requested within one hundred fifty (150) Calendar Days after the receipt of the Affected System Study Agreement and deposit.

At the request of Affected System Interconnection Customer, Transmission Provider shall notify Affected System Interconnection Customer as to the status of the Affected System Study. If Transmission Provider is unable to complete the Affected System Study within the requisite time period, it shall notify Affected System Interconnection

Customer(s), as well as transmission provider with which Affected System Interconnection Customer seeks to interconnect, and shall provide an estimated completion date with an explanation of the reasons why additional time is required. If Transmission Provider does not meet the deadlines in this Section, Transmission Provider shall be subject to the financial penalties as described in Section 3.9 of this LGIP. Upon request, Transmission Provider shall provide Affected System Interconnection Customer(s) with all supporting documentation, workpapers and relevant power flow, short circuit and stability databases for the Affected System Study, subject to confidentiality arrangements consistent with Section 13.1 of this LGIP.

Transmission Provider must study an Affected System Interconnection Customer using the Energy Resource Interconnection Service modeling standard used for Interconnection Requests on its own Transmission System, regardless of the level of interconnection service that Affected System Interconnection Customer is seeking from the host transmission provider with whom it seeks to interconnect.

9.8 Meeting with Transmission Provider.

Within ten (10) Business Days of providing the Affected System Study Report to Affected System Interconnection Customer(s), Transmission Provider and Affected System Interconnection Customer(s) shall meet to discuss the results of the Affected System Study.

9.9 Affected System Cost Allocation.

Transmission Provider shall allocate Affected System Network Upgrade costs identified during the Affected System Study to Affected System Interconnection Customer(s) using a proportional impact method, consistent with Section 4.2.1(1)(b) of this LGIP.

9.10 Tender of Affected Systems Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement.

Transmission Provider shall tender to Affected System Interconnection Customer(s) an Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, as applicable, in the form of Appendix 11 or 12 to this LGIP, within thirty (30) Calendar Days of providing the Affected System Study Report. Within ten (10) Business Days of

the receipt of the Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, the Affected System Interconnection Customer(s) must execute the agreement or request the agreement to be filed unexecuted with FERC. Transmission Provider shall execute the agreement or file the agreement unexecuted within five (5) Business Days after receiving direction from Affected System Interconnection Customer(s). Affected System Interconnection Customer's failure to execute the Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, or failure to request the agreement to be filed unexecuted with FERC, shall result in the loss of its Affected System Queue Position.

9.11 Restudy.

If restudy of the Affected System Study is required, Transmission Provider shall notify Affected System Interconnection Customer(s) in writing within thirty (30) Calendar Days of discovery of the need for restudy. Such restudy shall take no longer than sixty (60) Calendar Days from the date of notice. Any cost of restudy shall be borne by the Affected System Interconnection Customer(s) being restudied.

Section 10. Optional Interconnection Study

10.1 Optional Interconnection Study Agreement.

On or after the date when Interconnection Customer receives Cluster Study results, Interconnection Customer may request, and Transmission Provider shall perform a reasonable number of Optional Interconnection Studies. The request shall describe the assumptions that Interconnection Customer wishes Transmission Provider to study within the scope described in Section 10.2 of this LGIP. Within five (5) Business Days after receipt of a request for an Optional Interconnection Study, Transmission Provider shall provide to Interconnection Customer an Optional Interconnection Study Agreement in the form of Appendix 4.

The Optional Interconnection Study Agreement shall: (i) specify the technical data that Interconnection Customer must provide for each phase of the Optional Interconnection Study, (ii) specify Interconnection Customer's assumptions as to which Interconnection Requests with earlier queue priority dates will be excluded from the Optional Interconnection Study case and assumptions as to the type

of Interconnection Service for Interconnection Requests remaining in the Optional Interconnection Study case, and (iii) Transmission Provider's estimate of the cost of the Optional Interconnection Study. To the extent known by Transmission Provider, such estimate shall include any costs expected to be incurred by any Affected System Operator whose participation is necessary to complete the Optional Interconnection Study. Notwithstanding the above, Transmission Provider shall not be required as a result of an Optional Interconnection Study request to conduct any additional Interconnection Studies with respect to any other Interconnection Request.

Interconnection Customer shall execute the Optional Interconnection Study Agreement within ten (10) Business Days of receipt and deliver the Optional Interconnection Study Agreement, the technical data and a $10,000 deposit to Transmission Provider.

10.2 The Optional Interconnection Study will consist of a sensitivity analysis based on the assumptions specified by Interconnection Customer in the Optional Interconnection Study Agreement. The Optional Interconnection Study will also identify Transmission Provider's Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, that may be required to provide transmission service or Interconnection Service based upon the results of the Optional Interconnection Study. The Optional Interconnection Study shall be performed solely for informational purposes. Transmission Provider shall use Reasonable Efforts to coordinate the study with any Affected Systems that may be affected by the types of Interconnection Services that are being studied. Transmission Provider shall utilize existing studies to the extent practicable in conducting the Optional Interconnection Study.

10.3 Optional Interconnection Study Procedures.

The executed Optional Interconnection Study Agreement, the prepayment, and technical and other data called for therein must be provided to Transmission Provider within ten (10) Business Days of Interconnection Customer receipt of the Optional Interconnection Study Agreement. Transmission Provider shall use Reasonable Efforts to complete the Optional Interconnection Study within a mutually agreed upon time period specified within the Optional Interconnection Study Agreement. If Transmission Provider is unable to complete the Optional Interconnection Study within such time period, it shall notify Interconnection Customer and provide an estimated completion date and an explanation of the reasons why

additional time is required. Any difference between the study payment and the actual cost of the study shall be paid to Transmission Provider or refunded to Interconnection Customer, as appropriate. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation and workpapers and databases or data developed in the preparation of the Optional Interconnection Study, subject to confidentiality arrangements consistent with Section 13.1 of this LGIP.

Section 11. Standard Large Generator Interconnection Agreement (LGIA)

11.1 Tender.

Interconnection Customer shall tender comments on the draft Interconnection Facilities Study Report within thirty (30) Calendar Days of receipt of the report. Within thirty (30) Calendar Days after the comments are submitted or after Interconnection Customer notifies Transmission Provider that it will not provide comments, Transmission Provider shall tender a draft LGIA, together with draft appendices. The draft LGIA shall be in the form of Transmission Provider's FERC-approved standard form LGIA, which is in Appendix 5. Interconnection Customer shall execute and return the LGIA and completed draft appendices within thirty (30) Calendar Days, unless (1) the sixty (60) Calendar Day negotiation period under Section 11.2 of this LGIP has commenced, or (2) LGIA execution, or filing unexecuted, has been delayed to await the Affected System Study Report pursuant to Section 11.2.1 of this LGIP.

11.2 Negotiation.

Notwithstanding Section 11.1 of this LGIP, at the request of Interconnection Customer, Transmission Provider shall begin negotiations with Interconnection Customer concerning the appendices to the LGIA at any time after Interconnection Customer executes the Interconnection Facilities Study Agreement. Transmission Provider and Interconnection Customer shall negotiate concerning any disputed provisions of the appendices to the draft LGIA for not more than sixty (60) Calendar Days after tender of the final Interconnection Facilities Study Report. If Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft LGIA pursuant to Section 11.1 of this LGIP and request submission of the unexecuted LGIA with FERC or initiate Dispute Resolution procedures pursuant to Section 13.5 of this LGIP. If

Interconnection Customer requests termination of the negotiations, but within sixty (60) Calendar Days thereafter fails to request either the filing of the unexecuted LGIA or initiate Dispute Resolution, it shall be deemed to have withdrawn its Interconnection Request. Unless otherwise agreed by the Parties, if Interconnection Customer has not executed the LGIA, requested filing of an unexecuted LGIA, or initiated Dispute Resolution procedures pursuant to Section 13.5 of this LGIP within sixty (60) Calendar Days of tender of draft LGIA, it shall be deemed to have withdrawn its Interconnection Request. Transmission Provider shall provide to Interconnection Customer a final LGIA within fifteen (15) Business Days after the completion of the negotiation process.

11.2.1 Delay in LGIA Execution, or Filing Unexecuted, to Await Affected System Study Report.

If Interconnection Customer has not received its Affected System Study Report from the Affected System Operator prior to the date that it would be required to execute its LGIA (or request that its LGIA be filed unexecuted) pursuant to Section 11.1 of this LGIP, Transmission Provider shall, upon request of Interconnection Customer, extend this deadline to thirty (30) Calendar Days after Interconnection Customer's receipt of the Affected System Study Report. If Interconnection Customer, after delaying LGIA execution, or requesting unexecuted filing, to await Affected System Study Report, decides to proceed to LGIA execution, or request unexecuted filing, without those results, it may notify Transmission Provider of its intent to proceed with LGIA execution (or request that its LGIA be filed unexecuted) pursuant to Section 11.1 of this LGIP. If Transmission Provider determines that further delay to the LGIA execution date would cause a material impact on the cost or timing of an equal- or lower-queued Interconnection Customer, Transmission Provider must notify Interconnection Customer of such impacts and set the deadline to execute the LGIA (or request that the LGIA be filed unexecuted) to thirty (30) Calendar Days after such notice is provided.

11.3 Execution and Filing.

Simultaneously with submitting the executed LGIA to Transmission Provider, or within ten (10) Business Days after Interconnection Customer requests that Transmission Provider file the LGIA unexecuted at the Commission, Interconnection Customer shall provide Transmission Provider with the following: (1)

demonstration of continued Site Control pursuant to Section 8.1(2) of this LGIP; and (2) the LGIA Deposit equal to twenty percent (20%) of Interconnection Customer's estimated Network Upgrade costs identified in the draft LGIA minus the total amount of Commercial Readiness Deposits that Interconnection Customer has provided to Transmission Provider for its Interconnection Request. Transmission Provider shall use LGIA Deposit as (or as a portion of) Interconnection Customer's security required under LGIA Article 11.5. Interconnection Customer may not request to suspend its LGIA under LGIA Article 5.16 until Interconnection Customer has provided (1) and (2) to Transmission Provider. If Interconnection Customer fails to provide (1) and (2) to Transmission Provider within the thirty (30) Calendar Days allowed for returning the executed LGIA and appendices under LGIP Section 11.1, or within ten (10) Business Days after Interconnection Customer requests that Transmission Provider file the LGIA unexecuted at the Commission as allowed in this Section 11.3 of this LGIP, the Interconnection Request will be deemed withdrawn pursuant to Section 3.7 of this LGIP.

At the same time, Interconnection Customer also shall provide reasonable evidence that one or more of the following milestones in the development of the Large Generating Facility, at Interconnection Customer election, has been achieved (unless such milestone is inapplicable due to the characteristics of the Generating Facility): (i) the execution of a contract for the supply or transportation of fuel to the Large Generating Facility; (ii) the execution of a contract for the supply of cooling water to the Large Generating Facility; (iii) execution of a contract for the engineering for, procurement of major equipment for, or construction of, the Large Generating Facility; (iv) execution of a contract (or comparable evidence) for the sale of electric energy or capacity from the Large Generating Facility; or (v) application for an air, water, or land use permit.

Interconnection Customer shall either: (i) execute two originals of the tendered LGIA and return them to Transmission Provider; or (ii) request in writing that Transmission Provider file with FERC an LGIA in unexecuted form. As soon as practicable, but not later than ten (10) Business Days after receiving either the two executed originals of the tendered LGIA (if it does not conform with a FERC-approved Standard Large Generator Interconnection Agreement) or the request to file an unexecuted LGIA, Transmission Provider shall file the LGIA with FERC, together with its explanation of any matters as to which Interconnection Customer and Transmission Provider disagree and support for the costs that Transmission

Provider proposes to charge to Interconnection Customer under the LGIA. An unexecuted LGIA should contain terms and conditions deemed appropriate by Transmission Provider for the Interconnection Request. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted LGIA, they may proceed pending FERC action.

11.4 Commencement of Interconnection Activities.
If Interconnection Customer executes the final LGIA, Transmission Provider and Interconnection Customer shall perform their respective obligations in accordance with the terms of the LGIA, subject to modification by FERC. Upon submission of an unexecuted LGIA, Interconnection Customer and Transmission Provider shall promptly comply with the unexecuted LGIA, subject to modification by FERC.

Section 12. Construction of Transmission Provider's Interconnection Facilities and Network Upgrades

12.1 Schedule.
Transmission Provider and Interconnection Customer shall negotiate in good faith concerning a schedule for the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades.

12.2 Construction Sequencing.

12.2.1 General.
In general, the In-Service Date of an Interconnection Customer seeking interconnection to the Transmission System will determine the sequence of construction of Network Upgrades.

12.2.2 Advance Construction of Network Upgrades that are an Obligation of an Entity other than Interconnection Customer.
An Interconnection Customer with an LGIA, in order to maintain its In-Service Date, may request that Transmission Provider advance to the extent necessary the completion of Network Upgrades that: (i) were assumed in the Interconnection Studies for such

Interconnection Customer, (ii) are necessary to support such In-Service Date, and (iii) would otherwise not be completed, pursuant to a contractual obligation of an entity other than Interconnection Customer that is seeking interconnection to the Transmission System, in time to support such In-Service Date. Upon such request, Transmission Provider will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay Transmission Provider: (i) any associated expediting costs and (ii) the cost of such Network Upgrades.

Transmission Provider will refund to Interconnection Customer both the expediting costs and the cost of Network Upgrades, in accordance with Article 11.4 of the LGIA. Consequently, the entity with a contractual obligation to construct such Network Upgrades shall be obligated to pay only that portion of the costs of the Network Upgrades that Transmission Provider has not refunded to Interconnection Customer. Payment by that entity shall be due on the date that it would have been due had there been no request for advance construction. Transmission Provider shall forward to Interconnection Customer the amount paid by the entity with a contractual obligation to construct the Network Upgrades as payment in full for the outstanding balance owed to Interconnection Customer. Transmission Provider then shall refund to that entity the amount that it paid for the Network Upgrades, in accordance with Article 11.4 of the LGIA.

12.2.3 Advancing Construction of Network Upgrades that are Part of an Expansion Plan of Transmission Provider. An Interconnection Customer with an LGIA, in order to maintain its In-Service Date, may request that Transmission Provider advance to the extent necessary the completion of Network Upgrades that: (i) are necessary to support such In- Service Date and (ii) would otherwise not be completed, pursuant to an

expansion plan of Transmission Provider, in time to support such In-Service Date. Upon such request,

Transmission Provider will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay Transmission Provider any associated expediting costs. Interconnection Customer shall be entitled to transmission credits, if any, for any expediting costs paid.

12.2.4 Amended Cluster Study Report.
A Cluster Study Report will be amended to determine the facilities necessary to support the requested In-Service Date. This amended study report will include those transmission and Large Generating Facilities that are expected to be in service on or before the requested In- Service Date.

Section 13. Miscellaneous

13.1 Confidentiality.
Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of an LGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Section warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

13.1.1 Scope.

Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of the LGIA; or (6) is required, in accordance with Section 13.1.6 of this LGIP, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under the LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

13.1.2 Release of Confidential Information.

Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with these procedures, unless such person has first been advised of the confidentiality provisions of this Section 13.1 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of

Confidential Information in contravention of this Section 13.1.

13.1.3 Rights.

Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

13.1.4 No Warranties.

By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

13.1.5 Standard of Care.

Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under these procedures or its regulatory requirements.

13.1.6 Order of Disclosure.

If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of the LGIA. Notwithstanding the absence of

a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

13.1.7 Remedies.

The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Section 13.1. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Section 13.1, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Section 13.1, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Section 13.1.

13.1.8 Disclosure to FERC, its Staff, or a State.

Notwithstanding anything in this Section 13.1 to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to the LGIP, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public

disclosure. Parties are prohibited from notifying the other Party prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner, consistent with applicable state rules and regulations.

13.1.9 Subject to the exception in Section 13.1.8 of this LGIP, any information that a Party claims is competitively sensitive, commercial or financial information ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIP or as a transmission service provider or a Balancing Authority Area operator including disclosing the Confidential Information to an RTO or ISO or to a subregional, regional or national reliability organization or planning group. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement,

protective order or other reasonable measures.

13.1.10 This provision shall not apply to any information that was or is hereafter in the public domain (except as a result of a Breach of this provision).

13.1.11 Transmission Provider shall, at Interconnection Customer's election, destroy, in a confidential manner, or return the Confidential Information provided at the time of Confidential Information is no longer needed.

13.2 Delegation of Responsibility.
Transmission Provider may use the services of subcontractors as it deems appropriate to perform its obligations under this LGIP. Transmission Provider shall remain primarily liable to Interconnection Customer for the performance of such subcontractors and compliance with its obligations of this LGIP. The subcontractor shall keep all information provided confidential and shall use such information solely for the performance of such obligation for which it was provided and no other purpose.

13.3 Obligation for Study Costs.
In the event an Interconnection Customer withdraws its Interconnection Request prior to the commencement of the Cluster Study, Interconnection Customer must pay Transmission Provider the actual costs of processing its Interconnection Request. In the event an Interconnection Customer withdraws after the commencement of the Cluster Study, Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Studies. The costs of any Interconnection Study conducted on a clustered basis shall be allocated among each Interconnection Customer within the cluster as follows: (1) fifty percent (50%) of the applicable study costs to Interconnection Customers on a per capita basis based on the number of Interconnection Requests included in the applicable Cluster; and (2) fifty percent (50%) of the applicable study costs to Interconnection Customers on a pro rata basis based on each Interconnection Customer's megawatt (MW) contribution to the total MW size of the applicable Cluster. If an Interconnection Customer proposes a permissible nonmaterial change to its Interconnection Request requiring restudy, the costs of the restudy shall be directly assigned

to the requesting Interconnection Customer. The study costs for an Interconnection Facilities Study administered under Section 9 of this LGIP shall be allocated using the same 50%/50% method.

Any difference between the study deposit and the actual cost of the Interconnection Studies shall be paid by or refunded to, except as otherwise provided herein, Interconnection Customers. Any invoices for Interconnection Studies shall include a detailed and itemized accounting of the cost of each Interconnection Study. Interconnection Customers shall pay any such undisputed costs within thirty (30) Calendar Days of receipt of an invoice therefor. If Interconnection Customer fails to pay such undisputed costs within the time allotted, its Interconnection Request shall be deemed withdrawn from the Cluster Study Process and will be subject to Withdrawal Penalties pursuant to Section 3.7 of this LGIP.

13.4 Third Parties Conducting Studies.

If (i) at the time of the signing of an Interconnection Study Agreement there is disagreement as to the estimated time to complete an Interconnection Study, (ii) Interconnection Customer receives notice pursuant to Sections 7.4, 7.5, or 8.3 of this LGIP that Transmission Provider will not complete an Interconnection Study within the applicable timeframe for such Interconnection Study, or (iii) Interconnection Customer receives neither the Interconnection Study nor a notice under Sections 7.4, 7.5, or 8.3 of this LGIP within the applicable timeframe for such Interconnection Study, then Interconnection Customer may require Transmission Provider to utilize a third party consultant reasonably acceptable to Interconnection Customer and Transmission Provider to perform such Interconnection Study under the direction of Transmission Provider. At other times, Transmission Provider may also utilize a third party consultant to perform such Interconnection Study, either in response to a general request of Interconnection Customer, or on its own volition.

In all cases, use of a third party consultant shall be in accord with Article 26 of the LGIA (Subcontractors) and limited to situations where Transmission Provider determines that doing so will help maintain or accelerate the study process for Interconnection Customer's pending Interconnection Request and not interfere with Transmission Provider's progress on Interconnection Studies for other pending Interconnection Requests. In cases where

Interconnection Customer requests use of a third party consultant to perform such Interconnection Study, Interconnection Customer and Transmission Provider shall negotiate all of the pertinent terms and conditions, including reimbursement arrangements and the estimated study completion date and study review deadline. Transmission Provider shall convey all workpapers, data bases, study results and all other supporting documentation prepared to date with respect to the Interconnection Request as soon as soon as practicable upon Interconnection Customer's request subject to the confidentiality provision in Section 13.1 of this LGIP. In any case, such third party contract may be entered into with either Interconnection Customer or Transmission Provider at Transmission Provider's discretion. In the case of (iii) Interconnection Customer maintains its right to submit a claim to Dispute Resolution to recover the costs of such third party study. Such third party consultant shall be required to comply with this LGIP, Article 26 of the LGIA (Subcontractors), and the relevant Tariff procedures and protocols as would apply if Transmission Provider were to conduct the Interconnection Study and shall use the information provided to it solely for purposes of performing such services and for no other purposes. Transmission Provider shall cooperate with such third party consultant and Interconnection Customer to complete and issue the Interconnection Study in the shortest reasonable time.

13.5 Disputes.

13.5.1 Submission.

In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with the LGIA, the LGIP, or their performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the

event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.

13.5.2 External Arbitration Procedures.

Any arbitration initiated under these procedures shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Section 13, the terms of this Section 13 shall prevail.

13.5.3 Arbitration Decisions.

Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the LGIA and LGIP and shall have no power to modify or change any provision of the LGIA and LGIP in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the

decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

13.5.4 Costs.

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

13.5.5 Non-binding dispute resolution procedures.

If a Party has submitted a Notice of Dispute pursuant to Section 13.5.1 of this LGIP, and the Parties are unable to resolve the claim or dispute through unassisted or assisted negotiations within the thirty (30) Calendar Days provided in that section, and the Parties cannot reach mutual agreement to pursue the Section 13.5 arbitration process, a Party may request that Transmission Provider engage in Non-binding Dispute Resolution pursuant to this Section by providing written notice to Transmission Provider ("Request for Non- binding Dispute Resolution"). Conversely, either Party may file a Request for Non-binding Dispute Resolution pursuant to this Section without first seeking mutual agreement to pursue the Section 13.5 arbitration process. The process in this Section 13.5.5 shall serve as an alternative to, and not a replacement of, the Section 13.5 arbitration process. Pursuant to this process, a Transmission Provider must within thirty (30) Calendar Days of receipt of the Request for Non- binding Dispute Resolution appoint a neutral decision-maker that is an independent subcontractor that shall not have any current or past substantial business or financial relationships with either Party. Unless otherwise agreed by the Parties, the decision-maker shall render a decision within sixty (60) Calendar Days of appointment and shall notify the

Parties in writing of such decision and reasons therefore. This decision- maker shall be authorized only to interpret and apply the provisions of the LGIP and LGIA and shall have no power to modify or change any provision of the LGIP and LGIA in any manner. The result reached in this process is not binding, but, unless otherwise agreed, the Parties may cite the record and decision in the non-binding dispute resolution process in future dispute resolution processes, including in a Section 13.5 arbitration, or in a Federal Power Act section 206 complaint. Each Party shall be responsible for its own costs incurred during the process and the cost of the decision-maker shall be divided equally among each Party to the dispute.

13.6 Local Furnishing Bonds.

13.6.1 Transmission Providers That Own Facilities Financed by Local Furnishing Bonds.
This provision is applicable only to a Transmission Provider that has financed facilities for the local furnishing of electric energy with tax-exempt bonds, as described in Section 142(f) of the Internal Revenue Code ("local furnishing bonds").
Notwithstanding any other provision of this LGIA and LGIP, Transmission Provider shall not be required to provide Interconnection Service to Interconnection Customer pursuant to this LGIA and LGIP if the provision of such Transmission Service would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance Transmission Provider's facilities that would be used in providing such Interconnection Service.

13.6.2 Alternative Procedures for Requesting Interconnection Service.
If Transmission Provider determines that the provision of Interconnection Service requested by Interconnection Customer would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance its facilities that would be used in providing

such Interconnection Service, it shall advise Interconnection Customer within thirty (30) Calendar Days of receipt of the Interconnection Request.

Interconnection Customer thereafter may renew its request for interconnection using the process specified in Section 5.2(ii) of Transmission Provider's Tariff.

13.7 Engineering & Procurement ('E&P') Agreement.

Prior to executing an LGIA, an Interconnection Customer may, in order to advance the implementation of its interconnection, request and Transmission Provider shall offer Interconnection Customer, an E&P Agreement that authorizes Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection. However, Transmission Provider shall not be obligated to offer an E&P Agreement if Interconnection Customer is in Dispute Resolution as a result of an allegation that Interconnection Customer has failed to meet any milestones or comply with any prerequisites specified in other parts of the LGIP. The E&P Agreement is an optional procedure and it will not alter Interconnection Customer's Queue Position or In-Service Date. The E&P Agreement shall provide for Interconnection Customer to pay the cost of all activities authorized by Interconnection Customer and to make advance payments or provide other satisfactory security for such costs.

Interconnection Customer shall pay the cost of such authorized activities and any cancellation costs for equipment that is already ordered for its interconnection, which cannot be mitigated as hereafter described, whether or not such items or equipment later become unnecessary. If Interconnection Customer withdraws its Interconnection Request or either Party terminates the E&P Agreement, to the extent the equipment ordered can be canceled under reasonable terms, Interconnection Customer shall be obligated to pay the associated cancellation costs. To the extent that the equipment cannot be reasonably canceled, Transmission Provider may elect: (i) to take title to the equipment, in which event Transmission Provider shall refund Interconnection Customer any amounts paid by Interconnection Customer for such equipment and shall pay the cost of delivery of such equipment, or (ii) to transfer title to and deliver such equipment to Interconnection Customer, in which event Interconnection Customer shall pay any unpaid balance and cost of delivery of such equipment.

APPENDIX 1 to LGIP

INTERCONNECTION REQUEST

FOR A LARGE GENERATING

FACILITY

1. The undersigned Interconnection Customer submits this request to interconnect its Large Generating Facility with Transmission Provider's Transmission System pursuant to a Tariff.

2. This Interconnection Request is for (check one):

   ____A proposed new Large Generating Facility.

   ____An increase in the generating capacity or a Material Modification of an existing Generating Facility.

3. The type of interconnection service requested (check one):

   ____Energy Resource Interconnection Service

   ____Network Resource Interconnection Service

4. ____Check here only if Interconnection Customer requesting Network Resource Interconnection Service also seeks to have its Generating Facility studied for Energy Resource Interconnection Service

5. Interconnection Customer provides the following information:

   a. Address or location or the proposed new Large Generating Facility site (to the extent known) or, in the case of an existing Generating Facility, the name and specific location of the existing Generating Facility;

b. Maximum summer at _____degrees C and winter at _degrees C megawatt electrical output of the proposed new Large Generating Facility or the amount of megawatt increase in the generating capacity of an existing Generating Facility;

c. General description of the equipment configuration;

d. Commercial Operation Date (Day, Month, and Year);

e. Name, address, telephone number, and e-mail address of Interconnection Customer's contact person;

f. Approximate location of the proposed Point of Interconnection (optional);

g. Interconnection Customer Data (set forth in Attachment A);

h. Primary frequency response operating range for electric storage resources;

i. Requested capacity (in MW) of Interconnection Service (if lower than the Generating Facility Capacity);

j. If applicable, (1) the requested operating assumptions (i.e., whether the interconnecting Generating Facility will or will not charge at peak load) to be used by Transmission Provider that reflect the proposed charging behavior of a Generating Facility that includes at least one electric storage resource, and (2) a description of any control technologies (software and/or hardware) that will limit the operation of the Generating Facility to its intended operation.

k. The expected time during which the generating facility will remain in operation and will maintain site control of the land upon which it is constructed.

6. Applicable deposit amount as specified in the LGIP.

7. Evidence of Site Control as specified in the LGIP (check one)

____ Is attached to this Interconnection Request

____ Will be provided at a later date in accordance with this LGIP

8. This Interconnection Request shall be submitted to the representative indicated below:

{To be completed by Transmission Provider}

9. Representative of Interconnection Customer to contact:

{To be completed by Interconnection Customer}

10. This Interconnection Request is submitted by:

Name of Interconnection Customer: _____

By (signature): _____

Name (type or print): _____

Title: _____

Date: _____

Attachment A to Appendix 1

Interconnection Request

LARGE GENERATING FACILITY DATA

UNIT RATINGS

kVA _____ °F ____ Voltage _____

Power Factor ___

Speed (RPM) ___ Connection (e.g. Wye) _____

Short Circuit Ratio ___ Frequency, Hertz _____

Stator Amperes at Rated kVA _____ Field Volts _____

Max Turbine MW _____°F _____

Primary frequency response operating range for electric storage resources:

Minimum State of Charge:_____

Maximum State of Charge:_____

COMBINED TURBINE-GENERATOR-EXCITER INERTIA DATA

Inertia Constant, H = _____ kW

sec/kVA Moment-of-Inertia, WR^2 = ___ lb. $ft.^2$

REACTANCE DATA (PER UNIT-RATED KVA)

	DIRECT AXIS		QUADRATURE AXIS	
Synchronous – saturated	X_{dv}		X_{qv}	
Synchronous – unsaturated	X_{di}		X_{qi}	
Transient – saturated	X'_{dv}		X'_{qv}	
Transient – unsaturated	X'_{di}		X'_{qi}	
Subtransient – saturated	X''_{dv}		X''_{qv}	
Subtransient – unsaturated	X''_{di}		X''_{qi}	
Negative Sequence – saturated	$X2_v$			
Negative Sequence – unsaturated	$X2_i$			
Zero Sequence – saturated	$X0_v$			
Zero Sequence – unsaturated		$X0_i$		
Leakage Reactance	Xl_m			

FIELD TIME CONSTANT DATA (SEC)

Open Circuit	T'_{do}	_____	_____
Three-Phase Short Circuit		T'qo	T'_{q} _____
Transient Line to Line Short Circuit		T'_{d3}_____	
Transient Line to Neutral Short Circuit		_____	
Short Circuit Transient	T'_{d1}	T'_{d2}_____	
Short Circuit Subtransient		T''_{d} _____	T''_{q} _____
Open Circuit Subtransient		T''_{do} _____	T''_{qo} _____

ARMATURE TIME CONSTANT DATA (SEC)

Three Phase Short Circuit	T_{a3}_____
Line to Line Short Circuit	T_{a2}_____
Line to Neutral Short Circuit	T_{a1}_____

NOTE: If requested information is not applicable, indicate by marking “N/A.”

MW CAPABILITY AND PLANT CONFIGURATION

LARGE GENERATING FACILITY DATA

ARMATURE WINDING RESISTANCE DATA (PER UNIT)

Positive	R_1	_____
Negative	R_2	_____
Zero	R_0	_____

Rotor Short Time Thermal Capacity I_2^2t = __

Field Current at Rated kVA, Armature Voltage and PF = _____amps Field Current at

Rated kVA and Armature Voltage, 0 PF = _____amps Three Phase

Armature Winding Capacitance = _____microfarad

Field Winding Resistance = __ohms _____°C

Armature Winding Resistance (Per Phase) = __ohms _____°C

CURVES

Provide Saturation, Vee, Reactive Capability, Capacity Temperature Correction curves. Designate normal and emergency Hydrogen Pressure operating range for multiple curves.

GENERATOR STEP-UP TRANSFORMER DATA RATINGS

Capacity Self-cooled/ Maximum Nameplate

_____/_____kVA

Voltage Ratio(Generator Side/System side/Tertiary)

_____/_____/_____kV

Winding Connections (Low V/High V/Tertiary V (Delta or Wye))

_____/_____/_____

Fixed Taps Available _____

Present Tap Setting _____

IMPEDANCE

Positive Z_1 (on self-cooled kVA rating)_____% _____X/R

Zero Z_0 (on self-cooled kVA rating)_____% _____X/R

EXCITATION SYSTEM DATA

Identify appropriate IEEE model block diagram of excitation system and power system stabilizer (PSS) for computer representation in power system stability simulations and the corresponding excitation system and PSS constants for use in the model.

GOVERNOR SYSTEM DATA

Identify appropriate IEEE model block diagram of governor system for computer representation in power system stability simulations and the corresponding governor system constants for use in the model.

WIND GENERATORS

Number of generators to be interconnected pursuant to this Interconnection Request: _____

_____

Elevation: _____ _____Single Phase _____Three Phase

Inverter manufacturer, model name, number, and version: _____

_____

List of adjustable setpoints for the protective equipment or software: _____

_____

Note: A completed General Electric Company Power Systems Load Flow (PSLF) data sheet or other compatible formats, such as IEEE and PTI power flow models, must be supplied with the Interconnection Request. If other data sheets are more appropriate to the proposed device, then they shall be provided and discussed at Scoping Meeting.

INDUCTION GENERATORS

(*) Field Volts: _____

(*) Field Amperes: _____

(*) Motoring Power (kW): ___

(*) Neutral Grounding Resistor (If Applicable): _____

(*) $I2^2t$ or K (Heating Time Constant): _____

(*) Rotor Resistance: _____

(*) Stator Resistance: _____

(*) Stator Reactance: _____

(*) Rotor Reactance: _____

(*) Magnetizing Reactance: _____

(*) Short Circuit Reactance: _____

(*) Exciting Current: _____

(*) Temperature Rise: _____

(*) Frame Size: _____

(*) Design Letter: _____

(*) Reactive Power Required In Vars (No Load): ___

(*) Reactive Power Required In Vars (Full Load): ___

(*) Total Rotating Inertia, H: __Per Unit on KVA Base

Note: Please consult Transmission Provider prior to submitting the Interconnection Request to determine if the information designated by (*) is required.

MODELS FOR NON-SYNCHRONOUS GENERATORS

For a non-synchronous Large Generating Facility, Interconnection Customer shall provide (1) a validated user-defined root mean squared (RMS) positive sequence dynamics model; (2) an appropriately parameterized generic library RMS positive sequence dynamics model, including model block diagram of the inverter control and plant control systems, as defined by the selection in Table 1 or a model otherwise approved by the Western Electricity Coordinating Council, that corresponds to Interconnection Customer's Large Generating Facility; and (3) if applicable, a validated electromagnetic transient model if Transmission Provider performs an electromagnetic transient study as part of the interconnection study process. A user-defined model is a set of programming code created by equipment manufacturers or developers that captures the latest features of controllers that are mainly software based and represents the entities' control strategies but does not necessarily correspond to any generic library model.

Interconnection Customer must also demonstrate that the model is validated by providing evidence that the equipment behavior is consistent with the model behavior (e.g., an attestation from Interconnection Customer that the model accurately represents the entire Large Generating Facility; attestations from each equipment manufacturer that the user defined model accurately represents the component of the Large Generating Facility; or test data).

Table 1: Acceptable Generic Library RMS Positive Sequence Dynamics Models

GE PSLF	Siemens PSS/E*	PowerWorld Simulator	Description
pvd1		PVD1	Distributed PV system model
der_a	DERAU1	DER_A	Distributed energy resource model
regc_a	REGCAU1, REGCA1	REGC_A	Generator/converter model

GE PSLF	Siemens PSS/E*	PowerWorld Simulator	Description
regc_b	REGCBU1	REGC_B	Generator/converter model
wt1g	WT1G1	WT1G and WT1G1	Wind turbine model for Type-1 wind turbines (conventional directly connected induction generator)
wt2g	WT2G1	WT2G and WT2G1	Generator model for generic Type-2 wind turbines
wt2e	WT2E1	WT2E and WT2E1	Rotor resistance control model for wound-rotor induction wind-turbine generator wt2g
reec_a	REECAU1, REECA1	REEC_A	Renewable energy electrical control model
reec_c	REECCU1	REEC_C	Electrical control model for battery energy storage system
reec_d	REECDU1	REEC_D	Renewable energy electrical control model
wt1t	WT12T1	WT1T and WT12T1	Wind turbine model for Type-1 wind turbines (conventional directly connected induction generator)
wt1p_b	wt1p_b	WT12A1U_B	Generic wind turbine pitch controller for WTGs of Types 1 and 2
wt2t	WT12T1	WT2T	Wind turbine model for Type-2 wind turbines (directly connected induction generator wind turbines with an external rotor resistance)
wtgt_a	WTDTAU1, WTDTA1	WTGT_A	Wind turbine drive train model
wtga_a	WTARAU1, WTARA1	WTGA_A	Simple aerodynamic model
wtgp_a	WTPTAU1, WTPTA1	WTGPT_A	Wind Turbine Generator Pitch controller

GE PSLF	Siemens PSS/E*	PowerWorld Simulator	Description
wtgq_a	WTTQAU1, WTTQA1	WTGTRQ_A	Wind Turbine Generator Torque controller
wtgwgo_a	WTGWGOAU	WTGWGO_A	Supplementary control model for Weak Grids
wtgibffr_a	WTGIBFFRA	WTGIBFFR_A	Inertial-base fast frequency response control
wtgp_b	WTPTBU1	WTGPT_B	Wind Turbine Generator Pitch controller
wtgt_b	WTDTBU1	WTGT_B	Drive train model
repc_a	Type 4: REPCAU1 (v33), REPCA1 (v34) Type 3: REPCTAU1 (v33), REPCTA1 (v34)	REPC_A	Power Plant Controller

GE PSLF	Siemens PSS/E*	PowerWorld Simulator	Description
repc_b	PLNTBU1	REPC_B	Power Plant Level Controller for controlling several plants/devices In regard to Siemens PSS/E*: Names of other models for interface with other devices: REA3XBU1, REAX4BU1- for interface with Type 3 and 4 renewable machines SWSAXBU1- for interface with SVC (modeled as switched shunt in powerflow) SYNAXBU1- for interface with synchronous condenser FCTAXBU1- for interface with FACTS device
repc_c	REPCCU	REPC_C	Power plant controller

APPENDIX 2 to LGIP

CLUSTER STUDY AGREEMENT

THIS AGREEMENT is made and entered into this_day of _____, 20_____by and between_____, a

_____organized and existing under the laws of the State of

_____, ("Interconnection Customer,") and _____

a _____organized and existing under the laws of the State of _____, ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility with the Transmission System; and

WHEREAS, Interconnection Customer has requested Transmission Provider to perform a Cluster Study to assess the impact of interconnecting the Large Generating Facility to the Transmission System, and of any Affected Systems; and

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in this LGIP.

2.0 Interconnection Customer elects and Transmission Provider shall cause to be performed a Cluster Study consistent with Section 7.0 of this LGIP in accordance with the Tariff.

3.0 The scope of the Cluster Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Cluster Study will be based upon the technical information provided by Interconnection Customer in the Interconnection Request, subject to any modifications in accordance with Section 4.4 of this LGIP. Transmission Provider reserves the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Cluster Study.

5.0 The Cluster Study Report shall provide the following information:

- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;

- identification of any thermal overload or voltage limit violations resulting from the interconnection;

- identification of any instability or inadequately damped response to system disturbances resulting from the interconnection and

- description and non-binding, good faith estimated cost of facilities required to interconnect the Large Generating Facility to the Transmission System and to address the identified short circuit, instability, and power flow issues.

6.0 Transmission Provider's good faith estimate for the time of completion of the Cluster Study is {insert date}.

Upon receipt of the Cluster Study Report, Transmission Provider shall charge and Interconnection Customer shall pay its share of the actual costs of the Cluster Study, consistent with Section 13.3 of this LGIP.

Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

7.0 Miscellaneous. The Cluster Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, that are consistent with regional practices, Applicable Laws and Regulations and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of this LGIP and the LGIA.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

{Insert name of Transmission Provider or Transmission Owner, if applicable}

By:_____ By:___

Title: _____Title: _____

Date: _____Date: _____

{Insert name of Interconnection Customer}

By:_____

Title: _____

Date: _____

Attachment A To Appendix 2

Cluster Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE CLUSTER STUDY

The Cluster Study will be based upon the technical information provided by Interconnection Customer in the Interconnection Request, subject to any modifications in accordance with Section 4.4 of this LGIP, and the following assumptions:

Designation of Point of Interconnection and configuration to be studied.

Designation of alternative Point(s) of Interconnection and configuration.

{Above assumptions to be completed by Interconnection Customer and other assumptions to be provided by Interconnection Customer and Transmission Provider}

APPENDIX 3 to LGIP

INTERCONNECTION FACILITIES STUDY AGREEMENT

THIS AGREEMENT is made and entered into this day of _____, 20_____by and between_____, a _____organized and existing under the laws of the State of _____, ("Interconnection Customer,") and _____ a _____organized and existing under the laws of the State of _____, ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility with the Transmission System; and

WHEREAS, Transmission Provider has completed a Cluster Study (the "Cluster Study") and provided the results of said study to Interconnection Customer; and

WHEREAS, Interconnection Customer has requested Transmission Provider to perform an Interconnection Facilities Study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Cluster Study in accordance with Good Utility Practice to physically and electrically connect the Large Generating Facility to the Transmission System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's FERC- approved LGIP.

2.0 Interconnection Customer elects and Transmission Provider shall cause an Interconnection Facilities Study consistent with Section 8.0 of this LGIP to be performed in accordance with the Tariff.

3.0 The scope of the Interconnection Facilities Study shall be subject to the assumptions set forth in Attachment A and the data provided in Attachment B to this Agreement.

4.0 The Interconnection Facilities Study Report (i) shall provide a description, estimated cost of (consistent with Attachment A), schedule for required facilities to interconnect the Large Generating Facility to the Transmission System and (ii) shall address the short circuit, instability, and power flow issues identified in the Cluster Study.

5.0 Interconnection Customer shall provide a Commercial Readiness Deposit per Section 8.1 of this LGIP to enter the Interconnection Facilities Study. The time for completion of the Interconnection Facilities Study is specified in Attachment A.

6.0 Miscellaneous. The Interconnection Facilities Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

{Insert name of Transmission Provider or Transmission Owner, if applicable}

By:_____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

{Insert name of Interconnection Customer}

By:_____

Title: _____

Date: _____

Attachment A To Appendix 3

Interconnection Facilities

Study Agreement

INTERCONNECTION CUSTOMER SCHEDULE ELECTION FOR CONDUCTING THE INTERCONNECTION FACILITIES STUDY

Transmission Provider shall complete the study and issue a draft Interconnection Facilities Study *R*eport to Interconnection Customer within the following number of days after receipt of an executed copy of this Interconnection Facilities Study Agreement:

- ninety (90) Calendar Days with no more than a +/- 20 percent cost estimate contained in the report, or

- one hundred eighty (180) Calendar Days with no more than a +/- 10 percent cost estimate contained in the report.

Attachment B to Appendix 3

Interconnection Facilities

Study Agreement

DATA FORM TO BE PROVIDED BY INTERCONNECTION CUSTOMER WITH THE

INTERCONNECTION FACILITIES STUDY AGREEMENT

Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

One set of metering is required for each generation connection to the new ring bus or existing Transmission Provider station. Number of generation connections:

On the one-line diagram indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)

On the one-line diagram indicate the location of auxiliary power. (Minimum load on CT/PT) Amps

Will an alternate source of auxiliary power be available during CT/PT maintenance?

_____Yes _____No

Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? _____Yes___No (Please indicate on one line diagram).

What type of control system or PLC will be located at Interconnection Customer's Large Generating Facility?

What protocol does the control system or PLC use?

Please provide a 7.5-minute quadrangle of the site. Sketch the plant, station, transmission line, and property line.

Physical dimensions of the proposed interconnection station:

Bus length from generation to interconnection station:

Line length from interconnection station to Transmission Provider's transmission line.

Tower number observed in the field. (Painted on tower leg)* _____

Number of third party easements required for transmission lines*:

---

* To be completed in coordination with Transmission Provider.

Is the Large Generating Facility in Transmission Provider's service area?

_____Yes ____No Local provider: ________

Select the type of interconnection service requested (check one):

____ Yes (Energy Resource Interconnection Service)

_____ Yes (Network Resource Interconnection Service)

Please provide proposed schedule dates:

Begin Construction Date: _____

Generator step-up transformer receives back feed power Date: _____

Generation Testing Date: _____

Commercial Operation Date: _____

APPENDIX 4 to LGIP

OPTIONAL INTERCONNECTION STUDY AGREEMENT

THIS AGREEMENT is made and entered into this day of _____, 20_____by and between_____, a

_____organized and existing under the laws of the State of

_____, ("Interconnection Customer,") and _____

a _____organized and existing under the laws of the State of _____-____, ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated ; and

WHEREAS, Interconnection Customer is proposing to establish an interconnection with the Transmission System; and

WHEREAS, Interconnection Customer has submitted to Transmission Provider an Interconnection Request; and

WHEREAS, on or after the date when Interconnection Customer receives the *Cluster* Study results, Interconnection Customer has further requested that Transmission Provider prepare an Optional Interconnection Study;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agree as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's FERC- approved LGIP.

2.0 Interconnection Customer elects and Transmission Provider shall cause an Optional Interconnection Study consistent with Section 10.0 of this LGIP to be performed in accordance with the Tariff.

3.0 The scope of the Optional Interconnection Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Optional Interconnection Study shall be performed solely for informational purposes.

5.0 The Optional Interconnection Study report shall provide a sensitivity analysis based on the assumptions specified by Interconnection Customer in Attachment A to this Agreement. The Optional Interconnection Study will identify Transmission Provider's Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, that may be required to provide transmission service or interconnection service based upon the assumptions specified by Interconnection Customer in Attachment A.

6.0 Interconnection Customer shall provide a deposit of $10,000 for the performance of the Optional Interconnection Study. Transmission Provider's good faith estimate for the time of completion of the Optional Interconnection Study is {insert date}.

Upon receipt of the Optional Interconnection Study, Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Optional Study.

Any difference between the initial payment and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

7.0 Miscellaneous. The Optional Interconnection Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

{Insert name of Transmission Provider or Transmission Owner, if applicable}

By:_____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

{Insert name of Interconnection Customer}

By:_____

Title: _____

Date: _____

APPENDIX 5 to LGIP

LARGE GENERATOR INTERCONNECTION AGREEMENT (SEE LGIA)

APPENDIX 6 to LGIP

INTERCONNECTION PROCEDURES FOR A WIND GENERATING PLANT

Appendix *6* sets forth procedures specific to a wind generating plant. All other requirements of this LGIP continue to apply to wind generating plant interconnections.

A. Special Procedures Applicable to Wind Generators

The wind plant Interconnection Customer, in completing the Interconnection Request required by Section 3.3 of this LGIP, may provide to Transmission Provider a set of preliminary electrical design specifications depicting the wind plant as a single equivalent generator. Upon satisfying these and other applicable Interconnection Request conditions, the wind plant may enter the queue and receive the base case data as provided for in this LGIP.

No later than six months after submitting an Interconnection Request completed in this manner, the wind plant Interconnection Customer must submit completed detailed electrical design specifications and other data (including collector system layout data) needed to allow Transmission Provider to complete the Cluster Study.

APPENDIX 7 to LGIP
TRANSITIONAL CLUSTER STUDY AGREEMENT

THIS AGREEMENT is made and entered into this _day of _____, 20__by and between _____, a _____ organized and existing under the laws of the State of _____ ("Interconnection Customer"), and _____, a _____organized and existing under the laws of the State of _____("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____;

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility with the Transmission System; and

WHEREAS, Interconnection Customer has requested Transmission Provider to perform a "Transitional Cluster Study," which combines the Cluster Study and Interconnection Facilities Study, in a single cluster study, followed by any needed restudies, to specify and estimate the cost of the equipment, engineering, procurement, and construction work needed to physically and electrically connect the Large Generating Facility to Transmission Provider's Transmission System; and

WHEREAS, Interconnection Customer has a valid Queue Position as of the June 3, 2024.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in this LGIP.

2.0 Interconnection Customer elects, and Transmission Provider shall cause to be performed, a Transitional Cluster Study.

3.0 The Transitional Cluster Study shall be based upon the technical information provided by Interconnection Customer in the Interconnection Request. Transmission Provider reserves the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Transitional Cluster Study and Interconnection Customer shall provide such data as quickly as reasonable.

4.0 Pursuant to Section 5.1.1.2 of this LGIP, the interim Transitional Cluster Study Report shall provide the information below:

- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;

- identification of any thermal overload or voltage limit violations resulting from the interconnection;

- identification of any instability or inadequately damped response to system disturbances resulting from the interconnection; and

- Transmission Provider's Interconnection Facilities and Network Upgrades that are expected to be required as a result of the Interconnection Request(s) and a non-binding, good faith estimate of cost responsibility and a non-binding, good faith estimated time to construct.

5.0 Pursuant to Section 5.1.1.2 of this LGIP, the final Transitional Cluster Study Report shall: (1) provide all the information included in the interim Transitional Cluster Study Report; (2) provide a description of, estimated cost of, and schedule for required facilities to interconnect the Generating Facility to the Transmission System; and (3) address the short circuit, instability, and power flow issues identified in the interim Transitional Cluster Study Report.

6.0 Interconnection Customer has met the requirements described in Section 5.1.1.2 of this LGIP.

7.0 Interconnection Customer previously provided a deposit for the performance of Interconnection Studies. Upon receipt of the final Transitional Cluster Study Report, Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Transitional Cluster Study. Any difference between the study deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, in accordance with the provisions of Section 13.3 of this LGIP.

8.0 Miscellaneous. The Transitional Cluster Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of this LGIP and the LGIA.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

{Insert name of Transmission Provider or Transmission Owner, if applicable}

By: _____

Title: _____

Date: _____

{**Insert name of Interconnection Customer}** By:

_____

Title: _____

Date: _____

APPENDIX 8 to LGIP

TRANSITIONAL INTERCONNECTION FACILITIES STUDY AGREEMENT

THIS AGREEMENT is made and entered into this _____day of _____, 20___, by and between _____, a _____ _____organized and existing under the laws of the State of _____(“Interconnection Customer”) and _____, a _____organized and existing under the laws of the State of _____(“Transmission Provider”). Interconnection Customer and Transmission Provider each may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Large Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility with the Transmission System; and

WHEREAS, Interconnection Customer has requested Transmission Provider to continue processing its Interconnection Facilities Study to specify and estimate the cost of the equipment, engineering, procurement, and construction work needed to implement the conclusions of the final interconnection system impact study (from the previously effective study process) in accordance with Good Utility Practice to physically and electrically connect the Large Generating Facility to the Transmission System; and

WHEREAS, Transmission Provider has provided an Interconnection Facilities Study Agreement to Interconnection Customer on or before June 3, 2024.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in this LGIP.

2.0 Interconnection Customer elects and Transmission Provider shall cause to be performed an Interconnection Facilities Study consistent with Section 8 of this LGIP.

3.0 The scope of the Interconnection Facilities Study shall be subject to the assumptions set forth in Attachment A to this Agreement, which shall be the same assumptions as the previous Interconnection Facilities Study Agreement executed by Interconnection Customer.

4.0 The Interconnection Facilities Study Report shall: (1) provide a description, estimated cost of (consistent with Attachment A), and schedule for required facilities to interconnect the Large Generating Facility to the Transmission System; and (2) address the short circuit, instability, and power flow issues identified in the most recently published Cluster Study Report.

5.0 Interconnection Customer has met the requirements described in Section 5.1.1.1 of this LGIP. The time for completion of the Interconnection Facilities Study is specified in Attachment A, and shall be no later than one hundred fifty (150) Calendar Days after June 3, 2024.

6.0 Interconnection Customer previously provided a deposit of _____dollars ($___) for the performance of the Interconnection Facilities Study.

7.0 Upon receipt of the Interconnection Facilities Study results, Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Facilities Study.

8.0 Any difference between the study deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

9.0 Miscellaneous. The Interconnection Facilities Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of this LGIP and this LGIA.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

{Insert name of Transmission Provider or Transmission Owner, if applicable}

By:_____

Title:

Date: _____

{Insert name of Interconnection Customer}

By:

Title:

Date:

Attachment A to Appendix 8

Transitional Interconnection Facilities Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE TRANSITIONAL INTERCONNECTION FACILITIES STUDY

{Assumptions to be completed by Interconnection Customer and Transmission Provider}

APPENDIX 9 to LGIP

TWO-PARTY AFFECTED SYSTEM STUDY AGREEMENT

THIS AGREEMENT is made and entered into this day of _____, 20___, by and between _____, a _____organized and existing under the laws of the State of _____(Affected System Interconnection Customer) and _____, a _____organized and existing under the laws of the State of _____(Transmission Provider). Affected System Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Affected System Interconnection Customer is proposing to develop a {description of generating facility or generating capacity addition to an existing generating facility} consistent with the interconnection request submitted by Affected System Interconnection Customer to {name of host transmission provider}, dated _____, for which {name of host transmission provider} found impacts on Transmission Provider's Transmission System; and

WHEREAS, Affected System Interconnection Customer desires to interconnect the {generating facility} with {name of host transmission provider}'s transmission system;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in this LGIP.

2.0 Transmission Provider shall coordinate with Affected System Interconnection Customer to perform an Affected System Study consistent with Section 9 of this LGIP.

3.0 The scope of the Affected System Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Affected System Study will be based upon the technical information provided by Affected System Interconnection Customer and {name of host transmission provider}. Transmission Provider reserves the right to request additional technical information from Affected System Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Affected System Study.

5.0 The Affected System Study shall provide the following information:

- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;

- identification of any thermal overload or voltage limit violations resulting from the interconnection;

- identification of any instability or inadequately damped response to system disturbances resulting from the interconnection;

- non-binding, good faith estimated cost and time required to construct facilities required on Transmission Provider's Transmission System to accommodate the interconnection of the {generating facility} to the transmission system of the host transmission provider; and

- description of how such facilities will address the identified short circuit, instability, and power flow issues.

6.0 Affected System Interconnection Customer shall provide a deposit of ____for performance of the Affected System Study. Upon receipt of the results of the Affected System Study by the Affected System Interconnection Customer, Transmission Provider shall charge, and Affected System Interconnection Customer shall pay, the actual cost of the Affected System Study. Any difference between the deposit and the actual cost of the Affected System Study shall be paid by or refunded to Affected System Interconnection Customer, as appropriate, including interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations.

7.0 This Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability, and assignment, which reflect best practices in the electric industry, that are consistent with regional practices, Applicable Laws and Regulations and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

{Insert name of Transmission Provider}

By:_____By: _____

Title: _____ Title: _____

Date: _____ Date: _____

{Insert name of Affected System Interconnection Customer}

By: _____

Title: _____

Date: _____

Project No._____ _____

Attachment A to Appendix 9

Two-Party Affected System Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE AFFECTED SYSTEM STUDY

The Affected System Study will be based upon the following assumptions:

{Assumptions to be completed by Affected System Interconnection Customer and Transmission Provider}

APPENDIX 10 to LGIP

MULTIPARTY AFFECTED SYSTEM STUDY AGREEMENT

THIS AGREEMENT is made and entered into this _day of _____, 20___, by and among _____, a _____organized and existing under the laws of the State of _____(Affected System Interconnection Customer); _____, a _____organized and existing under the laws of the State of_____(Affected System Interconnection Customer); and _____, a _____organized and existing under the laws of the State of _____(Transmission Provider). Affected System Interconnection Customers and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties." When it is not important to differentiate among them, Affected System Interconnection Customers each may be referred to as "Affected System Interconnection Customer" or collectively as the "Affected System Interconnection Customers."

RECITALS

WHEREAS, Affected System Interconnection Customers are proposing to develop {description of generating facilities or generating capacity additions to an existing generating facility}, consistent with the interconnection requests submitted by Affected System Interconnection Customers to {name of host transmission provider}, dated __, for which {name of host transmission provider} found impacts on Transmission Provider's Transmission System; and

WHEREAS, Affected System Interconnection Customers desire to interconnect the {generating facilities} with {name of host transmission provider}'s transmission system;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in this LGIP.

2.0 Transmission Provider shall coordinate with Affected System Interconnection Customers to perform an Affected System Study consistent with Section 9 of this LGIP.

3.0 The scope of the Affected System Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Affected System Study will be based upon the technical information provided by Affected System Interconnection Customers and {name of host transmission provider}. Transmission Provider reserves the right to request additional technical information from Affected System Interconnection Customers as may reasonably become necessary consistent with Good Utility Practice during the course of the Affected System Study.

5.0 The Affected System Study shall provide the following information:

- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;

- identification of any thermal overload or voltage limit violations resulting from the interconnection;

- identification of any instability or inadequately damped response to system disturbances resulting from the interconnection;

- non-binding, good faith estimated cost and time required to construct facilities required on Transmission Provider's Transmission System to accommodate the interconnection of the {generating facilities} to the transmission system of the host transmission provider; and

- description of how such facilities will address the identified short circuit, instability, and power flow issues.

6.0 Affected System Interconnection Customers shall each provide a deposit of ____for performance of the Affected System Study. Upon receipt of the results of the Affected System Study by the Affected System Interconnection Customers, Transmission Provider shall charge, and Affected System Interconnection Customers shall pay, the actual cost of the Affected System Study. Any difference between the deposit and the actual cost of the Affected System Study shall be paid by or refunded to Affected System Interconnection Customers, as appropriate, including interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations.

7.0 This Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability, and assignment, which reflect best practices in the electric industry, that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

{Insert name of Transmission Provider}

By:_____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

{Insert name of Affected System Interconnection Customer}

By: _____

Title: _____

Date: _____

Project No. _____

{Insert name of Affected System Interconnection Customer}

By: _____

Title: _____

Date: _____

Project No. _____

Attachment A to Appendix 10

Multiparty Affected System Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE MULTIPARTY AFFECTED SYSTEM STUDY

The Affected System Study will be based upon the following assumptions:

{Assumptions to be completed by Affected System Interconnection Customers and Transmission Provider}

APPENDIX 11 TO LGIP

TWO-PARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION AGREEMENT

THIS AGREEMENT is made and entered into this _____ _____day of _, 20___, by and between _____, organized and existing under the laws of the State of _____(Affected System Interconnection Customer) and_____, an entity organized and existing under the laws of the State of _____(Transmission Provider). Affected System Interconnection Customer and Transmission Provider each may be referred to as a "Party" or collectively as the "Parties."

RECITALS

WHEREAS, Affected System Interconnection Customer is proposing to develop a {description of generating facility or generating capacity addition to an existing generating facility} consistent with the interconnection request submitted by Affected System Interconnection Customer to {name of host transmission provider},
dated _____, for which {name of host transmission provider} found impacts on Transmission Provider's Transmission System; and

WHEREAS, Affected System Interconnection Customer desires to interconnect the {generating facility} to {name of host transmission provider}'s transmission system; and

WHEREAS, additions, modifications, and upgrade(s) must be made to certain existing facilities of Transmission Provider's Transmission System to accommodate such interconnection; and

WHEREAS, Affected System Interconnection Customer has requested, and Transmission Provider has agreed, to enter into this Agreement for the purpose of facilitating the construction of necessary Affected System Network Upgrade(s);

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

ARTICLE 1

DEFINITIONS

When used in this Agreement, with initial capitalization, the terms specified and not otherwise defined in this Agreement shall have the meanings indicated in this LGIP.

ARTICLE 2 TERM OF

AGREEMENT

2.1 Effective Date. This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC.

2.2 Term.

2.2.1 General. This Agreement shall become effective as provided in Article 2.1 and shall continue in full force and effect until the earlier of (1) the final repayment, where applicable, by Transmission Provider of the amount funded by Affected System Interconnection Customer for Transmission Provider's design, procurement, construction and installation of the Affected System Network Upgrade(s) provided in Appendix A; (2) the Parties agree to mutually terminate this Agreement; (3) earlier termination is permitted or provided for under Appendix A of this Agreement; or(4) Affected System Interconnection Customer terminates this Agreement

after providing Transmission Provider with written notice at least sixty (60) Calendar Days prior to the proposed termination date, provided that Affected System Interconnection Customer has no outstanding contractual obligations to Transmission Provider under this Agreement. No termination of this Agreement shall be effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination. The term of this Agreement may be adjusted upon mutual agreement of the Parties if (1) the commercial operation date for the {generating facility} is adjusted in accordance with the rules and procedures established by {name of host transmission provider} or (2) the in-service date for the Affected System Network Upgrade(s) is adjusted in accordance with the rules and procedures established by Transmission Provider.

2.2.2 Termination Upon Default. Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 5 of this Agreement where Breach and Breaching Party are defined in Article 5. Defaulting Party shall mean the Party that is in Default. In the event of a Default by a Party, the non-Defaulting Party shall have the termination rights described in Articles 5 and 6; provided, however, Transmission Provider may not terminate this Agreement if Affected System Interconnection Customer is the Defaulting Party and compensates Transmission Provider within thirty (30) Calendar Days for the amount of damages billed to Affected System Interconnection Customer by Transmission Provider for any such damages, including costs and expenses, incurred by Transmission Provider as a result of such Default.

2.2.3 Consequences of Termination. In the event of a termination by either Party, other than a termination by Affected System Interconnection Customer due to a Default by Transmission Provider, Affected System Interconnection Customer shall be responsible for the payment to Transmission Provider of all amounts then due and payable for construction and installation of the Affected System Network Upgrade(s) (including, without limitation, any equipment ordered related to such construction), plus all out-of-pocket expenses incurred by Transmission Provider in

connection with the construction and installation of the Affected System Network Upgrade(s), through the date of termination, and, in the event of the termination of the entire Agreement, any actual costs which Transmission Provider reasonably incurs in (1) winding up work and construction demobilization and (2) ensuring the safety of persons and property and the integrity and safe and reliable operation of Transmission Provider's Transmission System. Transmission Provider shall use Reasonable Efforts to minimize such costs.

2.2.4 Reservation of Rights. Transmission Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Affected System Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

2.3 Filing. Transmission Provider shall file this Agreement (and any amendment hereto) with the appropriate Governmental Authority, if required. Affected System Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 8. If Affected System Interconnection Customer has executed this Agreement, or any amendment thereto, Affected System Interconnection Customer shall reasonably cooperate with Transmission Provider with respect to such filing and to provide any information reasonably requested by Transmission Provider needed to comply with applicable regulatory requirements.

2.4 Survival. This Agreement shall continue in effect after termination, to the extent necessary, to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this Agreement or other applicable agreements, to disconnect, remove, or salvage its own facilities and equipment.

2.5 Termination Obligations. Upon any termination pursuant to this Agreement, Affected System Interconnection Customer shall be responsible for the payment of all costs or other contractual obligations incurred prior to the termination date, including previously incurred capital costs, penalties for early termination, and costs of removal and site restoration.

ARTICLE 3

CONSTRUCTION OF AFFECTED SYSTEM NETWORK UPGRADE(S)

3.1 Construction.

3.1.1 Transmission Provider Obligations. Transmission Provider shall (or shall cause such action to) design, procure, construct, and install, and Affected System Interconnection Customer shall pay, consistent with Article 3.2, the costs of all Affected System Network Upgrade(s) identified in Appendix A. All Affected System Network Upgrade(s) designed, procured, constructed, and installed by Transmission Provider pursuant to this Agreement shall satisfy all requirements of applicable safety and/or engineering codes and comply with Good Utility Practice, and further, shall satisfy all Applicable Laws and Regulations. Transmission Provider shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, or any Applicable Laws and Regulations.

3.1.2 Suspension of Work.

3.1.2.1 Right to Suspend. Affected System Interconnection Customer must provide to Transmission Provider written notice of its request for suspension. Only the milestones described in the Appendices of this Agreement are subject to suspension under this Article 3.1.2. Affected System Network Upgrade(s) will be constructed on the schedule described in the Appendices of this Agreement unless: (1) construction is prevented by the order of a Governmental Authority; (2) the Affected System Network Upgrade(s) are not needed by any other Interconnection Customer; or (3) Transmission Provider determines that a Force Majeure event prevents construction. In the event of (1), (2), or (3), any security paid to Transmission Provider under Article 4.1 of this Agreement shall be released by Transmission Provider upon the determination by Transmission Provider that the Affected System Network Upgrade(s) will no longer be constructed. If suspension occurs, Affected System Interconnection Customer shall be responsible for the costs which Transmission Provider incurs (i) in accordance with this Agreement prior to the suspension; (ii) in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of Transmission Provider's Transmission System and, if applicable, any costs incurred in connection with the cancellation of contracts and orders for material which Transmission Provider cannot reasonably avoid; and (iii) reasonably incurs in winding up work and construction demobilization; provided, however, that, prior to canceling any such contracts or orders, Transmission Provider shall obtain Affected System Interconnection Customer's authorization. Affected System Interconnection Customer shall be responsible for all costs incurred in connection with Affected System Interconnection Customer's failure to authorize

cancellation of such contracts or orders.

Interest on amounts paid by Affected System Interconnection Customer to Transmission Provider for the design, procurement, construction, and installation of the Affected System Network Upgrade(s) shall not accrue during periods in which Affected System Interconnection Customer has suspended construction under this Article 3.1.2.

Transmission Provider shall invoice Affected System Interconnection Customer pursuant to Article 4 and will use Reasonable Efforts to minimize its costs. In the event Affected System Interconnection Customer suspends work by Affected System Transmission Provider required under this Agreement pursuant to this Article 3.1.2.1, and has not requested Affected System Transmission Provider to recommence the work required under this Agreement on or before the expiration of three (3) years following commencement of such suspension, this Agreement shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Affected System Transmission Provider, whichever is earlier, if no effective date of suspension is specified.

3.1.3 Construction Status. Transmission Provider shall keep Affected System Interconnection Customer advised periodically as to the progress of its design, procurement and construction efforts, as described in Appendix A. Affected System Interconnection Customer may, at any time and reasonably, request a progress report from Transmission Provider. If, at any time, Affected System Interconnection Customer determines that the completion of the Affected System Network Upgrade(s) will not be required until after the specified in-service date, Affected System Interconnection Customer will provide written notice to Transmission Provider of such later date upon which the completion of the Affected System Network Upgrade(s) would be required. Transmission Provider may delay the in-service date of the Affected System Network Upgrade(s) accordingly.

3.1.4 Timely Completion. Transmission Provider shall use Reasonable Efforts to design, procure, construct, install, and test the Affected System Network Upgrade(s) in accordance with the schedule set forth in Appendix A, which schedule may be revised from time to time by mutual agreement of the Parties. If any event occurs that will affect the time or ability to complete the Affected System Network Upgrade(s), Transmission Provider shall promptly notify Affected System Interconnection Customer. In such circumstances, Transmission Provider shall, within fifteen (15) Calendar Days of such notice, convene a meeting with Affected System Interconnection Customer to evaluate the alternatives available to Affected System Interconnection Customer. Transmission Provider shall also make available to Affected System Interconnection Customer all studies and work papers related to the event and corresponding delay, including all information that is in the possession of Transmission Provider that is reasonably needed by Affected System Interconnection Customer to evaluate alternatives, subject to confidentiality arrangements consistent with Article 8. Transmission Provider shall, at Affected System Interconnection Customer's request and expense, use Reasonable Efforts to accelerate its work under this Agreement to meet the schedule set forth in Appendix A, provided that (1) Affected System Interconnection Customer authorizes such actions, such authorization to be withheld, conditioned, or delayed by Affected System Interconnection Customer only if it can demonstrate that the acceleration would have a material adverse effect on it; and (2) the Affected System Interconnection Customer funds costs associated therewith in advance.

3.2 Interconnection Costs.

3.2.1 Costs. Affected System Interconnection Customer shall pay to Transmission Provider costs (including taxes and financing costs) associated with seeking and obtaining all necessary approvals and of designing, engineering, constructing, and testing the Affected System Network Upgrade(s), as identified in Appendix A, in accordance with the cost recovery method provided herein. Unless Transmission Provider elects to fund the Affected System Network Upgrade(s), they shall be initially funded by Affected System Interconnection Customer.

3.2.1.1 Lands of Other Property Owners. If any part of the Affected System Network Upgrade(s) is to be installed on property owned by persons other than Affected System Interconnection Customer or Transmission Provider, Transmission Provider shall, at Affected System Interconnection Customer's expense, use efforts similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority to the extent permitted and consistent with Applicable Laws and Regulations and, to the extent consistent with such Applicable Laws and Regulations, to procure from such persons any rights of use, licenses, rights-of-way, and easements that are necessary to construct, operate, maintain, test, inspect, replace, or remove the Affected System Network Upgrade(s) upon such property.

3.2.2 Repayment.

3.2.2.1 Repayment. Consistent with Articles 11.4.1 and 11.4.2 of Transmission Provider's pro forma LGIA, Affected System Interconnection Customer shall be entitled to a cash repayment by Transmission Provider of the amount paid to Transmission Provider, if any, for the Affected System Network Upgrade(s), including any tax gross-up or other tax- related payments associated with the Affected System Network Upgrade(s), and not refunded to Affected System Interconnection Customer pursuant to Article 3.3.1 or otherwise. The Parties may mutually agree to a repayment schedule, to be outlined in Appendix A, not to exceed twenty (20) years from the commercial operation date, for the complete repayment for all applicable costs associated with the Affected System Network Upgrade(s). Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 CFR 35.19 a(a)(2)(iii) from the date of any payment for Affected System Network Upgrade(s) through the date on which Affected System Interconnection Customer receives a

repayment of such payment pursuant to this subparagraph. Interest shall not accrue during periods in which Affected System Interconnection Customer has suspended construction pursuant to Article 3.1.2. Affected System Interconnection Customer may assign such repayment rights to any person.

3.2.2.2 Impact of Failure to Achieve Commercial Operation. If the Affected System Interconnection Customer's generating facility fails to achieve commercial operation, but it or another generating facility is later constructed and makes use of the Affected System Network Upgrade(s), Transmission Provider shall at that time reimburse Affected System Interconnection Customer for the amounts advanced for the Affected System Network Upgrade(s). Before any such reimbursement can occur, Affected System Interconnection Customer (or the entity that ultimately constructs the generating facility, if different), is responsible for identifying the entity to which the reimbursement must be made.

3.3 Taxes.

3.3.1 Indemnification for Contributions in Aid of Construction. With regard only to payments made by Affected System Interconnection Customer to Transmission Provider for the installation of the Affected System Network Upgrade(s), Transmission Provider shall not include a gross-up for income taxes in the amounts it charges Affected System Interconnection Customer for the installation of the Affected System Network Upgrade(s) unless (1) Transmission Provider has determined, in good faith, that the payments or property transfers made by Affected System Interconnection Customer to Transmission Provider should be reported as income subject to taxation, or (2) any Governmental Authority directs Transmission Provider to report payments or property as income subject to taxation. Affected System Interconnection Customer shall reimburse Transmission Provider for such costs on a fully grossed-up basis, in accordance with this Article, within thirty (30) Calendar Days of receiving written notification from Transmission Provider of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration Of the ten (10)-year testing period and the applicable statute of limitation, as it may be extended by Transmission Provider upon request of the Internal Revenue Service, to keep these

years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article. Notwithstanding the foregoing provisions of this Article 3.3.1, and to the extent permitted by law, to the extent that the receipt of such payments by Transmission Provider is determined by any Governmental Authority to constitute income by Transmission Provider subject to taxation, Affected System Interconnection Customer shall protect, indemnify, and hold harmless Transmission Provider and its Affiliates, from all claims by any such Governmental Authority for any tax, interest, and/or penalties associated with such determination. Upon receiving written notification of such determination from the Governmental Authority, Transmission Provider shall provide Affected System Interconnection Customer with written notification within thirty (30) Calendar Days of such determination and notification. Transmission Provider, upon the timely written request by Affected System Interconnection Customer and at Affected System Interconnection Customer's expense, shall appeal, protest, seek abatement of, or otherwise oppose such determination. Transmission Provider reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement, or other contest, including the compromise or settlement of the claim; provided that Transmission Provider shall cooperate and consult in good faith with Affected System Interconnection Customer regarding the conduct of such contest. Affected System Interconnection Customer shall not be required to pay Transmission Provider for the tax, interest, and/or penalties prior to the seventh (7^{th}) Calendar Day before the date on which Transmission Provider (1) is required to pay the tax, interest, and/or penalties or other amount in lieu thereof pursuant to a compromise or settlement of the appeal, protest, abatement, or other contest; (2) is required to pay the tax, interest, and/or penalties as the result of a final, non-appealable order by a Governmental Authority; or (3) is required to pay the tax, interest, and/or penalties as a prerequisite to an appeal, protest, abatement, or other contest. In the event such appeal, protest, abatement, or other contest results in a determination that Transmission Provider is not liable for any portion of any tax, interest, and/or penalties for which Affected System Interconnection Customer has already made payment to Transmission Provider, Transmission Provider shall promptly refund to Affected System Interconnection Customer any payment attributable to the amount

determined to be non-taxable, plus any interest (calculated in accordance with 18 CFR 35.19a(a)(2)(iii)) or other payments Transmission Provider receives or which Transmission Provider may be entitled with respect to such payment. Affected System Interconnection Customer shall provide Transmission Provider with credit assurances sufficient to meet Affected System Interconnection Customer's estimated liability for reimbursement of Transmission Provider for taxes, interest, and/or penalties under this Article 3.3.1. Such estimated liability shall be stated in Appendix A.

To the extent that Transmission Provider is a limited liability company and not a corporation, and has elected to be taxed as a partnership, then the following shall apply: Transmission Provider represents, and the Parties acknowledge, that Transmission Provider is a limited liability company and is treated as a partnership for federal income tax purposes. Any payment made by Affected System Interconnection Customer to Transmission Provider for Affected System Network Upgrade(s) is to be treated as an upfront payment. It is anticipated by the Parties that any amounts paid by Affected System Interconnection Customer to Transmission Provider for Affected System Network Upgrade(s) will be reimbursed to Affected System Interconnection Customer in accordance with the terms of this Agreement, provided Affected System Interconnection Customer fulfills its obligations under this Agreement.

3.3.2 Private Letter Ruling. At Affected System Interconnection Customer's request and expense, Transmission Provider shall file with the Internal Revenue Service a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Affected System Interconnection Customer to Transmission Provider under this Agreement are subject to federal income taxation. Affected System Interconnection Customer will prepare the initial draft of the request for a private letter ruling and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Affected System Interconnection Customer's knowledge. Transmission Provider and Affected System Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

3.3.3 Other Taxes. Upon the timely request by Affected System

Interconnection Customer, and at Affected System Interconnection Customer's sole expense, Transmission Provider shall appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Transmission Provider for which Affected System Interconnection Customer may be required to reimburse Transmission Provider under the terms of this Agreement. Affected System Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Affected System Interconnection Customer and Transmission Provider shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Affected System Interconnection Customer to Transmission Provider for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Affected System Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Transmission Provider. Each Party shall cooperate with the other Party to maintain each Party's tax status. Nothing in this Agreement is intended to adversely affect any Party's tax-exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds, as described in section 142(f) of the Internal Revenue Code.

ARTICLE 4

SECURITY, BILLING, AND PAYMENTS

4.1 Provision of Security. By the earlier of (1) thirty (30) Calendar Days prior to the due date for Affected System Interconnection Customer's first payment under the payment schedule specified in Appendix A, or (2) the first date specified in Appendix A for the ordering of equipment by Transmission Provider for installing the Affected System Network Upgrade(s), Affected System Interconnection Customer shall provide Transmission Provider, at Affected System Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Transmission Provider. Such security for payment shall be in an amount sufficient to cover the costs for constructing,

procuring, and installing the applicable portion of Affected System Network Upgrade(s) and shall be reduced on a dollar-for-dollar basis for payments made to Transmission Provider for these purposes.

The guarantee must be made by an entity that meets the creditworthiness requirements of Transmission Provider and contain terms and conditions that guarantee payment of any amount that may be due from Affected System Interconnection Customer, up to an agreed-to maximum amount. The letter of credit must be issued by a financial institution reasonably acceptable to Transmission Provider and must specify a reasonable expiration date. The surety bond must be issued by an insurer reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

4.2 **Invoice.** Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due, if any, for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this Agreement, including interest payments, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

4.3 **Payment.** Invoices shall be rendered to the paying Party at the address specified by the Parties. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by a Party will not constitute a waiver of any rights or claims that Party may have under this Agreement.

4.4 **Final Invoice.** Within six (6) months after completion of the construction of the Affected System Network Upgrade(s), Transmission Provider shall provide an invoice of the final cost of the construction of the Affected System Network Upgrade(s) and shall set forth such costs in sufficient detail to enable Affected System Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Transmission Provider shall refund, with interest (calculated in accordance with 18 CFR 35.19a(a)(2)(iii)), to Affected System Interconnection Customer any amount by which the actual payment by Affected System Interconnection Customer for estimated costs exceeds

the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

4.5 Interest. Interest on any unpaid amounts shall be calculated in accordance with 18 CFR 35.19a(a)(2)(iii).

4.6 Payment During Dispute. In the event of a billing dispute among the Parties, Transmission Provider shall continue to construct the Affected System Network Upgrade(s) under this Agreement as long as Affected System Interconnection Customer: (1) continues to make all payments not in dispute; and (2) pays to Transmission Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Affected System Interconnection Customer fails to meet these two requirements, then Transmission Provider may provide notice to Affected System Interconnection Customer of a Default pursuant to Article 5. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to another Party shall pay the amount due with interest calculated in accordance with the methodology set forth in 18 CFR 35.19a(a)(2)(iii).

ARTICLE 5

BREACH, CURE AND DEFAULT

5.1 Events of Breach. A Breach of this Agreement shall include the:

(a) Failure to pay any amount when due;

(b) Failure to comply with any material term or condition of this Agreement, including but not limited to any material Breach of a representation, warranty, or covenant made in this Agreement;

(c) Failure of a Party to provide such access rights, or a Party's attempt to revoke access or terminate such access rights, as provided under this Agreement; or

(d) Failure of a Party to provide information or data to another Party as required under this Agreement, provided the Party entitled to the information or data under this Agreement requires such information or data to satisfy its obligations under this Agreement.

5.2 Definition. Breaching Party shall mean the Party that is in Breach**.**

5.3 Notice of Breach, Cure, and Default. Upon the occurrence of an event of Breach, the Party not in Breach, when it becomes aware of the Breach, shall give written notice of the Breach to the Breaching Party and to any other person representing a Party to this Agreement identified in writing to the other Party in advance. Such notice shall set forth, in reasonable detail, the nature of the Breach, and where known and applicable, the steps necessary to cure such Breach.

5.3.1 Upon receiving written notice of the Breach hereunder, the Breaching Party shall have a period to cure such Breach (hereinafter referred to as the "Cure Period") which shall be sixty (60) Calendar Days.

5.3.2 In the event the Breaching Party fails to cure within the Cure Period, the Breaching Party will be in Default of this Agreement, and the non- Defaulting Party may terminate this Agreement in accordance with Article 6.2 of this Agreement or take whatever action at law or in equity as may appear necessary or desirable to enforce the performance or observance of any rights, remedies, obligations, agreement, or covenants under this Agreement.

5.4 Rights in the Event of Default. Notwithstanding the foregoing, upon the occurrence of a Default, the non-Defaulting Party shall be entitled to exercise all rights and remedies it may have in equity or at law.

ARTICLE 6

TERMINATION OF AGREEMENT

6.1 Expiration of Term. Except as otherwise specified in this Article 6, the Parties' obligations under this Agreement shall terminate at the conclusion of the term of this Agreement.

6.2 Termination. In addition to the termination provisions set forth in Article 2.2, a Party may terminate this Agreement upon the Default of the other Party in accordance with Article 5.2.2 of this Agreement. Subject to the limitations set forth in Article 6.3, in the event of a Default, the termination of this Agreement by the non-Defaulting Party shall require a filing at FERC of a notice of termination, which filing must be accepted for filing by FERC.

6.3 Disposition of Facilities Upon Termination of Agreement.

6.3.1 Transmission Provider Obligations. Upon termination of this Agreement, unless otherwise agreed to by the Parties in writing, Transmission Provider:

(a) shall, prior to the construction and installation of any portion of the Affected System Network Upgrade(s) and to the extent possible, cancel any pending orders of, or return, such equipment or material for such Affected System Network Upgrade(s);

(b) may keep in place any portion of the Affected System Network Upgrade(s) already constructed and installed; and,

(c) shall perform such work as may be necessary to ensure the safety of persons and property and to preserve the integrity of Transmission Provider's Transmission System (e.g., construction demobilization to return the system to its original state, wind-up work).

6.3.2 Affected System Interconnection Customer Obligations. Upon billing by Transmission Provider, Affected System Interconnection

Customer shall reimburse Transmission Provider for any costs incurred by Transmission Provider in performance of the actions required or permitted by Article 6.3.1 and for the cost of any Affected System Network Upgrade(s) described in Appendix A. Transmission Provider shall use Reasonable Efforts to minimize costs and shall offset the amounts owed by any salvage value of facilities, if applicable. Affected System Interconnection Customer shall pay these costs pursuant to Article 4.3 of this Agreement.

6.3.3 Pre-construction or Installation. Upon termination of this Agreement and prior to the construction and installation of any portion of the Affected System Network Upgrade(s), Transmission Provider may, at its option, retain any portion of such Affected System Network Upgrade(s) not cancelled or returned in accordance with Article 6.3.1(a), in which case Transmission Provider shall be responsible for all costs associated with procuring such Affected System Network Upgrade(s). To the extent that Affected System Interconnection Customer has already paid Transmission Provider for any or all of such costs, Transmission Provider shall refund Affected System Interconnection Customer for those payments. If Transmission Provider elects to not retain any portion of such facilities, Transmission Provider shall convey and make available to Affected System Interconnection Customer such facilities as soon as practicable after Affected System Interconnection Customer's payment for such facilities.

6.4 Survival of Rights. Termination or expiration of this Agreement shall not relieve either Party of any of its liabilities and obligations arising hereunder prior to the date termination becomes effective, and each Party may take whatever judicial or administrative actions as appear necessary or desirable to enforce its rights hereunder. The applicable provisions of this Agreement will continue in effect after expiration, or early termination hereof to the extent necessary to provide for (1) final billings, billing adjustments, and other billing procedures set forth in this Agreement; (2) the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and (3) the confidentiality provisions set forth in Article 8.

ARTICLE 7

SUBCONTRACTORS

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

7.1.1 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. In accordance with the provisions of this Agreement, each Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor it hires as if no subcontract had been made. Any applicable obligation imposed by this Agreement upon a Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

7.1.2 No Third-Party Beneficiary. Except as may be specifically set forth to the contrary herein, no subcontractor or any other party is intended to be, nor will it be deemed to be, a third-party beneficiary of this Agreement.

7.1.3 No Limitation by Insurance. The obligations under this Article 7 will not be limited in any way by any limitation of any insurance policies or coverages, including any subcontractor's insurance.

ARTICLE 8

CONFIDENTIALITY

8.1 Confidentiality. Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied to the other Party prior to the execution of this Agreement.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential. The Parties shall maintain as confidential any information that is provided and identified by a Party as Critical Energy Infrastructure Information (CEII), as that term is defined in 18 CFR 388.113(c).

Such confidentiality will be maintained in accordance with this Article 8. If requested by the receiving Party, the disclosing Party shall provide in writing, the basis for asserting that the information referred to in this Article warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

8.1.1 Term. During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, except as otherwise provided in this Article 8 or with regard to CEII, each Party shall hold in confidence and shall not disclose to any person Confidential Information. CEII shall be treated in accordance with FERC policies and regulations.

8.1.2 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the

lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a non-Party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this Agreement; or (6) is required, in accordance with Article 8.1.6 of this Agreement, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the receiving Party that it no longer is confidential.

8.1.3 Release of Confidential Information. No Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, agents, consultants, or to non-Parties that may be or are considering providing financing to or equity participation with Affected System Interconnection Customer, or to potential purchasers or assignees of Affected System Interconnection Customer, on a need-to-know basis in connection with this Agreement, unless such person has first been advised of the confidentiality provisions of this Article 8 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 8.

8.1.4 Rights. Each Party shall retain all rights, title, and interest in the Confidential Information that it discloses to the receiving Party. The disclosure by a Party to the receiving Party of Confidential Information shall not be deemed a waiver by the disclosing Party or any other person or

entity of the right to protect the Confidential Information from public disclosure.

8.1.5 Standard of Care. Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication, or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this Agreement or its regulatory requirements.

8.1.6 Order of Disclosure. If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the disclosing Party with prompt notice of such request(s) or requirement(s) so that the disclosing Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

8.1.7 Termination of Agreement. Upon termination of this Agreement for any reason, each Party shall, within ten (10) Business Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the requesting Party) or return to the requesting Party any and all written or electronic Confidential Information received from the requesting Party, except that each Party may keep one copy for archival purposes, provided that the obligation to treat it as Confidential Information in accordance with this Article 8 shall survive such termination.

8.1.8 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 8. Each Party accordingly agrees that the disclosing Party shall be entitled to equitable relief, by way of injunction or otherwise, if the receiving Party Breaches or threatens to Breach its obligations under this Article 8, which equitable relief shall be granted without bond or proof of damages, and the breaching Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 8, but it shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. Neither Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 8.

8.1.9 Disclosure to FERC, its Staff, or a State Regulatory Body. Notwithstanding anything in this Article 8 to the contrary, and pursuant to 18 CFR 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from a Party that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the Agreement when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

8.1.10 Subject to the exception in Article 8.1.9, any information that a disclosing Party claims is competitively sensitive, commercial, or financial information under this Agreement shall not be disclosed by the receiving Party to any person not employed or retained by the receiving Party, except to the extent disclosure is (1) required by law; (2) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (3) otherwise permitted by consent of the disclosing Party, such consent not to be unreasonably withheld; or (4) necessary to fulfill its obligations under this Agreement or as Transmission Provider or a balancing authority, including disclosing the Confidential Information to a regional or national reliability organization. The Party asserting confidentiality shall notify the receiving Party in writing of the information that Party claims is confidential. Prior to any disclosures of that Party's Confidential Information under this subparagraph, or if any non-Party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the Party that received the Confidential Information from the disclosing Party agrees to promptly notify the disclosing Party in writing and agrees to assert confidentiality and cooperate with the disclosing Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order, or other reasonable measures.

ARTICLE 9

INFORMATION ACCESS AND AUDIT RIGHTS

9.1 Information Access. Each Party shall make available to the other Party information necessary to verify the costs incurred by the other Party for which the requesting Party is responsible under this Agreement and carry out obligations and responsibilities under this Agreement, provided that the Parties shall not use such information for purposes other than those set forth in this Article 9.1 and to enforce their rights under this Agreement.

9.2 Audit Rights. Subject to the requirements of confidentiality under Article 8 of this Agreement, the accounts and records related to the design, engineering, procurement, and construction of the Affected System Network Upgrade(s) shall be subject to audit during the period of this Agreement and for a period of twenty- four (24) months following Transmission Provider's issuance of a final invoice in accordance with Article 4.4. Affected System Interconnection Customer at its expense shall have the right, during normal business hours, and upon prior reasonable notice to Transmission Provider, to audit such accounts and records. Any audit authorized by this Article 9.2 shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to obligations under this Agreement.

ARTICLE 10

NOTICES

10.1 General. Any notice, demand, or request required or permitted to be given by a Party to the other Party, and any instrument required or permitted to be tendered or delivered by a Party in writing to another Party, may be so given, tendered, or delivered, as the case may be, by depositing the same with the United States Postal Service with postage prepaid, for transmission by certified or registered mail, addressed to the Parties, or personally delivered to the Parties, at the address set out below:

To Transmission Provider:

To Affected System Interconnection Customer:

10.2 Billings and Payments. Billings and payments shall be sent to the addresses shown in Article 10.1 unless otherwise agreed to by the Parties.

10.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to the other Party and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out below:

To Transmission Provider:

To Affected System Interconnection Customer:

10.4 Execution and Filing. Affected System Interconnection Customer shall either: (i) execute two originals of this tendered Agreement and return them to Transmission Provider; or (ii) request in writing that Transmission Provider file with FERC this Agreement in unexecuted form. As soon as practicable, but not later than ten (10) Business Days after receiving either the two executed originals of this tendered Agreement (if it does not conform with a FERC-approved standard form of this Agreement) or the request to file this Agreement unexecuted, Transmission Provider shall file this Agreement with FERC, together with its explanation of any matters as to which Affected System Interconnection Customer and Transmission Provider disagree and support for the costs that Transmission Provider proposes to charge to Affected System Interconnection Customer under this Agreement. An unexecuted version of this Agreement should contain terms and conditions deemed appropriate by Transmission Provider for the Affected System Interconnection Customer's generating facility. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted version of this Agreement, they may proceed pending FERC action.

ARTICLE 11

MISCELLANEOUS

11.1 This Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, which reflect best practices in the electric industry, that are consistent with regional practices, Applicable Laws and Regulations and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of this LGIP.

{Signature Page to Follow}

IN WITNESS WHEREOF, the Parties have executed this Agreement in multiple originals, each of which shall constitute and be an original Agreement among the Parties.

Transmission Provider

{Transmission Provider}

By: _____

Name: _____

Title: _____

Affected System Interconnection Customer

{Affected System Interconnection Customer}

By:_____

Name: _____

Title: _____

Project No. ____

Attachment A to Appendix 11

Two-Party Affected System Facilities Construction Agreement

AFFECTED SYSTEM NETWORK UPGRADE(S), COST ESTIMATES AND RESPONSIBILITY, CONSTRUCTION SCHEDULE AND MONTHLY PAYMENT SCHEDULE

This Appendix A is a part of the Affected System Facilities Construction Agreement between Affected System Interconnection Customer and Transmission Provider.

1.1 Affected System Network Upgrade(s) to be installed by Transmission Provider.

{description}

1.2 First Equipment Order (including permitting).

{description}

1.2.1. Permitting and Land Rights – Transmission Provider Affected System Network Upgrade(s)

{description}

1.3 Construction Schedule. Where applicable, construction of the Affected System Network Upgrade(s) is scheduled as follows and will be periodically updated as necessary:

Table 1: Transmission Provider Construction Activities

MILESTONE NUMBER	DESCRIPTION	START DATE	END DATE

Note: Construction schedule assumes that Transmission Provider has obtained final authorizations and security from Affected System Interconnection Customer and all necessary permits from Governmental Authorities as necessary prerequisites to commence construction of any of the Affected System Network Upgrade(s).

1.4 Payment Schedule.

1.4.1 Timing of and Adjustments to Affected System Interconnection Customer's Payments and Security.

{description}

1.4.2 Monthly Payment Schedule. Affected System Interconnection Customer's payment schedule is as follows.

{description}

Table 2: Affected System Interconnection Customer's Payment/Security Obligations for Affected System Network Upgrade(s).

MILESTONE NUMBER	DESCRIPTION	DATE

Note: Affected System Interconnection Customer's payment or provision of security as provided in this Agreement operates as a condition precedent to Transmission Provider's obligations to construct any Affected System Network Upgrade(s), and failure to meet this schedule will constitute a Breach pursuant to Article 5.1 of this Agreement.

1.5 Permits, Licenses, and Authorizations.

{description}

Attachment B to Appendix 11

Two-Party Affected System Facilities Construction Agreement

NOTIFICATION OF COMPLETED CONSTRUCTION

This Appendix B is a part of the Affected Systems Facilities Construction Agreement between Affected System Interconnection Customer and Transmission Provider. Where applicable, when Transmission Provider has completed construction of the Affected System Network Upgrade(s), Transmission Provider shall send notice to Affected System Interconnection Customer in substantially the form following:

{Date}

{Affected System Interconnection Customer Address}

Re: Completion of Affected System Network Upgrade(s)

Dear {Name or Title}:

This letter is sent pursuant to the Affected System Facilities Construction Agreement between {Transmission Provider} and {Affected System Interconnection Customer}, dated _____, 20___.

On {Date}, Transmission Provider completed to its satisfaction all work on the Affected System Network Upgrade(s) required to facilitate the safe and reliable interconnection and operation of Affected System Interconnection Customer's
{description of generating facility}. Transmission Provider confirms that the Affected System Network Upgrade(s) are in place.

Thank you.

{Signature}

{Transmission Provider Representative}

Attachment C to Appendix 11

Two-Party Affected System Facilities Construction Agreement

EXHIBITS

This Appendix C is a part of the Affected System Facilities Construction Agreement between Affected System Interconnection Customer and Transmission Provider.

Exhibit A1

Transmission Provider Site Map

Exhibit A2

Site Plan

Exhibit A3

Affected System Network Upgrade(s) Plan & Profile

Exhibit A4

Estimated Cost of Affected System Network Upgrade(s)

Location	Facilities to Be Constructed by Transmission Provider	Estimate in Dollars
	Total:	

APPENDIX 12 TO LGIP

MULTIPARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION AGREEMENT

THIS AGREEMENT is made and entered into this _____day of ___, 20__, by and among _____, organized and existing under the laws of the State of _____(Affected System Interconnection Customer); _____, a _____organized and existing under the laws of the State of _____ (Affected System Interconnection Customer); and_____, an entity organized and existing under the laws of the State of _____(Transmission Provider). Affected System Interconnection Customers and Transmission Provider each may be referred to as a "Party" or collectively as the "Parties." When it is not important to differentiate among them, Affected System Interconnection Customers each may be referred to as "Affected System Interconnection Customer" or collectively as "Affected System Interconnection Customers."

RECITALS

WHEREAS, Affected System Interconnection Customers are proposing to develop {description of generating facilities or generating capacity additions to an existing generating facility}, consistent with the interconnection requests submitted by Affected System Interconnection Customers to {name of host transmission provider}, dated __, for which {name of host transmission provider} found impacts on Transmission Provider's Transmission System; and

WHEREAS, Affected System Interconnection Customers desire to interconnect the {generating facilities} to {name of host transmission provider}'s transmission system; and

WHEREAS, additions, modifications, and upgrade(s) must be made to certain existing facilities of Transmission Provider's Transmission System to accommodate such interconnection; and

WHEREAS, Affected System Interconnection Customers have requested, and Transmission Provider has agreed, to enter into this Agreement for the purpose of facilitating the construction of necessary Affected System Network Upgrade(s);

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

ARTICLE 1

DEFINITIONS

When used in this Agreement, with initial capitalization, the terms specified and not otherwise defined in this Agreement shall have the meanings indicated in this LGIP.

ARTICLE 2

TERM OF AGREEMENT

2.1 Effective Date. This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC.

2.2 Term.

2.2.1 General. This Agreement shall become effective as provided in Article 2.1 and shall continue in full force and effect until the earlier of (1) the final

repayment, where applicable, by Transmission Provider of the amount funded by Affected System Interconnection Customers for Transmission Provider's design, procurement, construction, and installation of the Affected System Network Upgrade(s) provided in Appendix A; (2) the Parties agree to mutually terminate this Agreement; (3) earlier termination is permitted or provided for under Appendix A of this Agreement; or
(4) Affected System Interconnection Customers terminate this Agreement after providing Transmission Provider with written notice at least sixty (60) Calendar Days prior to the proposed termination date, provided that Affected System Interconnection Customers have no outstanding contractual obligations to Transmission Provider under this Agreement. No termination of this Agreement shall be effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination. The term of this Agreement may be adjusted upon mutual agreement of the Parties if the commercial operation date(s) for the {generating facilities} is adjusted in accordance with the rules and procedures established by {name of host transmission provider} or the in- service date for the Affected System Network Upgrade(s) is adjusted in accordance with the rules and procedures established by Transmission Provider.

2.2.2 Termination Upon Default. Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 5 of this Agreement where Breach and Breaching Party are defined in Article 5. Defaulting Party shall mean the Party that is in Default. In the event of a Default by a Party, each non-Defaulting Party shall have the termination rights described in Articles 5 and 6; provided, however, Transmission Provider may not terminate this Agreement if an Affected System Interconnection Customer is the Defaulting Party and compensates Transmission Provider within thirty (30) Calendar Days for the amount of damages billed to Affected System Interconnection Customer(s) by Transmission Provider for any such damages, including costs and expenses incurred by Transmission Provider as a result of such Default. Notwithstanding the foregoing, Default by one or more Affected System Interconnection Customers shall not provide the other Affected System Interconnection Customer(s), either individually or in concert, with the right to terminate the entire Agreement. The non-

Defaulting Party/Parties may, individually or in concert, initiate the removal of an Affected System Interconnection Customer that is a Defaulting Party from this Agreement. Transmission Provider shall not terminate this Agreement or the participation of any Affected System Interconnection Customer without provision being made for Transmission Provider to be fully reimbursed for all of its costs incurred under this Agreement.

2.2.3 Consequences of Termination. In the event of a termination by a Party, other than a termination by Affected System Interconnection Customer(s) due to a Default by Transmission Provider, each Affected System Interconnection Customer whose participation in this Agreement is terminated shall be responsible for the payment to Transmission Provider of all amounts then due and payable for construction and installation of the Affected System Network Upgrade(s) (including, without limitation, any equipment ordered related to such construction), plus all out-of-pocket expenses incurred by Transmission Provider in connection with the construction and installation of the Affected System Network Upgrade(s), through the date of termination, and, in the event of the termination of the entire Agreement, any actual costs which Transmission Provider reasonably incurs in (1) winding up work and construction demobilization and (2) ensuring the safety of persons and property and the integrity and safe and reliable operation of Transmission Provider's Transmission System. Transmission Provider shall use Reasonable Efforts to minimize such costs. The cost responsibility of other Affected System Interconnection Customers shall be adjusted, as necessary, based on the payments by an Affected System Interconnection Customer that is terminated from the Agreement.

2.2.4 Reservation of Rights. Transmission Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Affected System Interconnection Customers shall have the right to make a

unilateral filing with FERC to modify this Agreement pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

2.3 Filing. Transmission Provider shall file this Agreement (and any amendment hereto) with the appropriate Governmental Authority, if required. Affected System Interconnection Customers may request that any information so provided be subject to the confidentiality provisions of Article 8. Each Affected System Interconnection Customer that has executed this Agreement, or any amendment thereto, shall reasonably cooperate with Transmission Provider with respect to such filing and to provide any information reasonably requested by Transmission Provider needed to comply with applicable regulatory requirements.

2.4 Survival. This Agreement shall continue in effect after termination, to the extent necessary, to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this Agreement or other applicable agreements, to disconnect, remove, or salvage its own facilities and equipment.

2.5 Termination Obligations. Upon any termination pursuant to this Agreement or termination of the participation in this Agreement of an Affected System Interconnection Customer, each Affected System Interconnection Customer shall be responsible for the payment of its proportionate share of all costs or other contractual obligations incurred prior to the termination date, including previously incurred capital costs, penalties for early termination, and costs of removal and site

restoration. The cost responsibility of the other Affected System Interconnection Customers shall be adjusted as necessary.

ARTICLE 3

CONSTRUCTION OF AFFECTED SYSTEM NETWORK UPGRADE(S)

3.1 Construction.

3.1.1 Transmission Provider Obligations. Transmission Provider shall (or shall cause such action to) design, procure, construct, and install, and Affected System Interconnection Customers shall pay, consistent with Article 3.2, the costs of all Affected System Network Upgrade(s) identified in Appendix A. All Affected System Network Upgrade(s) designed, procured, constructed, and installed by Transmission Provider pursuant to this Agreement shall satisfy all requirements of applicable safety and/or engineering codes and comply with Good Utility Practice, and further, shall satisfy all Applicable Laws and Regulations. Transmission Provider shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, or any Applicable Laws and Regulations.

3.1.2 Suspension of Work.

3.1.2.1 Right to Suspend. Affected System Interconnection Customers must jointly provide to Transmission Provider written notice of their request for suspension. Only the milestones described in the Appendices of this Agreement are subject to suspension under this Article 3.1.2. Affected System Network Upgrade(s) will be constructed on the schedule described in the Appendices of this Agreement unless: (1) construction is prevented by the order of a

Governmental Authority; (2) the Affected System Network Upgrade(s) are not needed by any other Interconnection Customer; or (3) Transmission Provider determines that a Force Majeure event prevents construction. In the event of (1), (2), or (3), any security paid to Transmission Provider under Article 4.1 of this Agreement shall be released by Transmission Provider upon the determination by Transmission Provider that the Affected System Network Upgrade(s) will no longer be constructed. If suspension occurs, Affected System Interconnection Customers shall be responsible for the costs which Transmission Provider incurs (i) in accordance with this Agreement prior to the suspension; (ii) in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of Transmission Provider's Transmission System and, if applicable, any costs incurred in connection with the cancellation of contracts and orders for material which Transmission Provider cannot reasonably avoid; and (iii) reasonably incurs in winding up work and construction demobilization; provided, however, that, prior to canceling any such contracts or orders, Transmission Provider shall obtain Affected System Interconnection Customers' authorization. Affected System Interconnection Customers shall be responsible for all costs incurred in connection with Affected System Interconnection Customers' failure to authorize cancellation of such contracts or orders.

Interest on amounts paid by Affected System Interconnection Customers to Transmission Provider for the design, procurement, construction, and installation of the Affected System Network Upgrade(s) shall not accrue during periods in which Affected System Interconnection Customers have suspended construction under this Article 3.1.2.

Transmission Provider shall invoice Affected System Interconnection Customers pursuant to Article 4 and will use Reasonable Efforts to minimize its costs. In the event Affected System Interconnection Customers suspend work by Affected System Transmission Provider required under this Agreement pursuant to this Article 3.1.2.1, and have not requested Affected System Transmission Provider to recommence the work required under this Agreement on or before the expiration of three (3) years following commencement of such suspension, this Agreement shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Affected System Transmission Provider, whichever is earlier, if no effective date of suspension is specified.

3.1.3 Construction Status. Transmission Provider shall keep Affected System Interconnection Customers advised periodically as to the progress of its design, procurement, and construction efforts, as described in Appendix A. An Affected System Interconnection Customer may, at any time and reasonably, request a progress report from Transmission Provider. If, at any time, an Affected System Interconnection Customer determines that the completion of the Affected System Network Upgrade(s) will not be required until after the specified in-service date, such Affected System Interconnection Customer will provide written notice to all other Parties of such later date for which the completion of the Affected System Network Upgrade(s) would be required. Transmission Provider may delay the in- service date of the Affected System Network Upgrade(s) accordingly, but only if agreed to by all other Affected System Interconnection Customers.

3.1.4 Timely Completion. Transmission Provider shall use Reasonable Efforts to design, procure, construct, install, and test the Affected System Network Upgrade(s) in accordance with the schedule set forth in Appendix A, which schedule may be revised from time to time by mutual agreement of the Parties. If any event occurs that will affect the time or ability to complete the Affected System Network Upgrade(s), Transmission Provider shall promptly notify all other Parties. In such circumstances, Transmission Provider shall, within fifteen (15) Calendar Days of such notice, convene a

meeting with Affected System Interconnection Customers to evaluate the alternatives available to Affected System Interconnection Customers. Transmission Provider shall also make available to Affected System Interconnection Customers all studies and work papers related to the event and corresponding delay, including all information that is in the possession of Transmission Provider that is reasonably needed by Affected System Interconnection Customers to evaluate alternatives, subject to confidentiality arrangements consistent with Article 8. Transmission Provider shall, at any Affected System Interconnection Customer's request and expense, use Reasonable Efforts to accelerate its work under this Agreement to meet the schedule set forth in Appendix A, provided that (1) Affected System Interconnection Customers jointly authorize such actions, such authorizations to be withheld, conditioned, or delayed by a given Affected System Interconnection Customer only if it can demonstrate that the acceleration would have a material adverse effect on it; and (2) the requesting Affected System Interconnection Customer(s) funds the costs associated therewith in advance, or all Affected System Interconnection Customers agree in advance to fund such costs based on such other allocation method as they may adopt.

3.2 Interconnection Costs.

3.2.1 Costs. Affected System Interconnection Customers shall pay to Transmission Provider costs (including taxes and financing costs) associated with seeking and obtaining all necessary approvals and of designing, engineering, constructing, and testing the Affected System Network Upgrade(s), as identified in Appendix A, in accordance with the cost recovery method provided herein. Except as expressly otherwise agreed, Affected System Interconnection Customers shall be collectively responsible for these costs, based on their proportionate share of cost responsibility, as provided in Appendix A. Unless Transmission Provider elects to fund the Affected System Network Upgrade(s), they shall be initially funded by the applicable Affected System Interconnection Customer.

3.2.1.1 Lands of Other Property Owners. If any part of the Affected System Network Upgrade(s) is to be installed on property owned by persons other than Affected

System Interconnection Customers or Transmission Provider, Transmission Provider shall, at Affected System Interconnection Customers' expense, use efforts similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority to the extent permitted and consistent with Applicable Laws and Regulations and, to the extent consistent with such Applicable Laws and Regulations, to procure from such persons any rights of use, licenses, rights-of-way, and easements that are necessary to construct, operate, maintain, test, inspect, replace, or remove the Affected System Network Upgrade(s) upon such property.

3.2.2 Repayment.

3.2.2.1 Repayment. Consistent with articles 11.4.1 and 11.4.2 of Transmission Provider's pro forma LGIA, each Affected System Interconnection Customer shall be entitled to a cash repayment by Transmission Provider of the amount each Affected System Interconnection Customer paid to Transmission Provider, if any, for the Affected System Network Upgrade(s), including any tax gross-up or other tax-related payments associated with the Affected System Network Upgrade(s), and not refunded to Affected System Interconnection Customer pursuant to Article 3.3.1 or otherwise. The Parties may mutually agree to a repayment schedule, to be outlined in Appendix A, not to exceed twenty (20) years from the commercial operation date, for the complete repayment for all applicable costs associated with the Affected System Network Upgrade(s). Any repayment shall include interest calculated in accordance with the

methodology set forth in FERC's regulations at 18 CFR 35.19 a(a)(2)(iii) from the date of any payment for Affected System Network Upgrade(s) through the date on which Affected System Interconnection Customers receive a repayment of such payment pursuant to this subparagraph. Interest shall not accrue during periods in which Affected System Interconnection Customers have suspended construction pursuant to Article 3.1.2.1. Affected System Interconnection Customers may assign such repayment rights to any person.

3.2.2.2 Impact of Failure to Achieve Commercial Operation. If an Affected System Interconnection Customer's generating facility fails to achieve commercial operation, but it or another generating facility is later constructed and makes use of the Affected System Network Upgrade(s), Transmission Provider shall at that time reimburse such Affected System Interconnection Customers for the portion of the Affected System Network Upgrade(s) it funded. Before any such reimbursement can occur, Affected System Interconnection Customer (or the entity that ultimately constructs the generating facility, if different), is responsible for identifying the entity to which the reimbursement must be made.

3.3 Taxes.

3.3.1 Indemnification for Contributions in Aid of Construction. With regard only to payments made by Affected System Interconnection Customers to Transmission Provider for the installation of the Affected System Network Upgrade(s), Transmission Provider shall not include a gross-up for income taxes in the amounts it charges Affected System Interconnection Customers for the installation of the Affected System Network Upgrade(s) unless (1) Transmission Provider has determined, in good faith, that the payments or property transfers made by Affected System Interconnection Customers to

Transmission Provider should be reported as income subject to taxation, or (2) any Governmental Authority directs Transmission Provider to report payments or property as income subject to taxation. Affected System Interconnection Customers shall reimburse Transmission Provider for such costs on a fully grossed-up basis, in accordance with this Article, within thirty (30) Calendar Days of receiving written notification from Transmission Provider of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten (10)-year testing period and the applicable statute of limitation, as it may be extended by Transmission Provider upon request of the Internal Revenue Service, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article. Notwithstanding the foregoing provisions of this Article 3.3.1, and to the extent permitted by law, to the extent that the receipt of such payments by Transmission Provider is determined by any Governmental Authority to constitute income by Transmission Provider subject to taxation, Affected System Interconnection Customers shall protect, indemnify, and hold harmless Transmission Provider and its Affiliates, from all claims by any such Governmental Authority for any tax, interest, and/or penalties associated with such determination. Upon receiving written notification of such determination from the Governmental Authority, Transmission Provider shall provide Affected System Interconnection Customers with written notification within thirty (30) Calendar Days of such determination and notification. Transmission Provider, upon the timely written request by any one or more Affected System Interconnection Customer(s) and at the expense of such Affected System Interconnection Customer(s), shall appeal, protest, seek abatement of, or otherwise oppose such determination. Transmission Provider reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the compromise or settlement of the claim; provided that Transmission Provider shall cooperate and consult in good faith with the requesting Affected System Interconnection Customer(s) regarding the conduct of such contest.

Affected System Interconnection Customer(s) shall not be required to pay Transmission Provider for the tax, interest, and/or penalties prior to the seventh (7th) Calendar Day before the date on which Transmission Provider
(1) is required to pay the tax, interest, and/or penalties or other amount in lieu thereof pursuant to a compromise or settlement of the appeal, protest, abatement, or other contest; (2) is required to pay the tax, interest, and/or penalties as the result of a final, non-appealable order by a Governmental Authority; or (3) is required to pay the tax, interest, and/or penalties as a prerequisite to an appeal, protest, abatement, or other contest. In the event such appeal, protest, abatement, or other contest results in a determination that Transmission Provider is not liable for any portion of any tax, interest, and/or penalties for which any Affected System Interconnection Customer(s) has already made payment to Transmission Provider, Transmission Provider shall promptly refund to such Affected System Interconnection Customer(s) any payment attributable to the amount determined to be non-taxable, plus any interest (calculated in accordance with 18 CFR 35.19a(a)(2)(iii)) or other payments Transmission Provider receives or to which Transmission Provider may be entitled with respect to such payment. Each Affected System Interconnection Customer shall provide Transmission Provider with credit assurances sufficient to meet each Affected System Interconnection Customer's estimated liability for reimbursement of Transmission Provider for taxes, interest, and/or penalties under this Article 3.3.1. Such estimated liability shall be stated in Appendix A.

To the extent that Transmission Provider is a limited liability company and not a corporation, and has elected to be taxed as a partnership, then the following shall apply: Transmission Provider represents, and the Parties acknowledge, that Transmission Provider is a limited liability company and is treated as a partnership for federal income tax purposes. Any payment made by Affected System Interconnection Customers to Transmission Provider for Affected System Network Upgrade(s) is to be treated as an upfront payment. It is anticipated by the Parties that any amounts paid by each Affected System Interconnection Customer to Transmission Provider for Affected System Network Upgrade(s) will be reimbursed to such Affected System Interconnection Customer in accordance with the terms of

this Agreement, provided such Affected System Interconnection Customer fulfills its obligations under this Agreement.

3.3.2 Private Letter Ruling. At the request and expense of any Affected System Interconnection Customer(s), Transmission Provider shall file with the Internal Revenue Service a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by such Affected System Interconnection Customer(s) to Transmission Provider under this Agreement are subject to federal income taxation. Each Affected System Interconnection Customer desiring such a request will prepare the initial draft of the request for a private letter ruling and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of such Affected System Interconnection Customer's knowledge. Transmission Provider and such Affected System Interconnection Customer(s) shall cooperate in good faith with respect to the submission of such request.

3.3.3 Other Taxes. Upon the timely request by any one or more Affected System Interconnection Customer(s), and at such Affected System Interconnection Customer(s)' sole expense, Transmission Provider shall appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Transmission Provider for which such Affected System Interconnection Customer(s) may be required to reimburse Transmission Provider under the terms of this Agreement. Affected System Interconnection Customer(s) who requested the action shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. The requesting Affected System Interconnection Customer(s) and Transmission Provider shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Affected System Interconnection Customer(s) to Transmission Provider for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment

is withheld and ultimately due and payable after appeal, Affected System Interconnection Customer(s) will be responsible for all taxes, interest, and penalties, other than penalties attributable to any delay caused by Transmission Provider. Each Party shall cooperate with the other Party to maintain each Party's tax status. Nothing in this Agreement is intended to adversely affect any Party's tax-exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds, as described in section 142(f) of the Internal Revenue Code.

ARTICLE 4

SECURITY, BILLING, AND PAYMENTS

4.1 Provision of Security. By the earlier of (1) thirty (30) Calendar Days prior to the due date for each Affected System Interconnection Customer's first payment under the payment schedule specified in Appendix A, or (2) the first date specified in Appendix A for the ordering of equipment by Transmission Provider for installing the Affected System Network Upgrade(s), each Affected System Interconnection Customer shall provide Transmission Provider, at each Affected System Interconnection Customer's option, a guarantee, a surety bond, letter of credit, or other form of security that is reasonably acceptable to Transmission Provider. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring, and installing the applicable portion of Affected System Network Upgrade(s) and shall be reduced on a dollar-for-dollar basis for payments made to Transmission Provider for these purposes.

The guarantee must be made by an entity that meets the creditworthiness requirements of Transmission Provider and contain terms and conditions that guarantee payment of any amount that may be due from such Affected System Interconnection Customer, up to an agreed-to maximum amount. The letter of credit must be issued by a financial institution reasonably acceptable to Transmission Provider and must specify a reasonable expiration date. The surety bond must be issued by an insurer reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

4.2 **Invoice.** Each Party shall submit to the other Parties, on a monthly basis, invoices of amounts due, if any, for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to another Party under this Agreement, including interest payments, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

4.3 **Payment.** Invoices shall be rendered to the paying Party at the address specified by the Parties. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by a Party will not constitute a waiver of any rights or claims that Party may have under this Agreement.

4.4 **Final Invoice.** Within six (6) months after completion of the construction of the Affected System Network Upgrade(s) Transmission Provider shall provide an invoice of the final cost of the construction of the Affected System Network Upgrade(s) and shall set forth such costs in sufficient detail to enable each Affected System Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Transmission Provider shall refund, with interest (calculated in accordance with 18 CFR 35.19a(a)(2)(iii)), to each Affected System Interconnection Customer any amount by which the actual payment by Affected System Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

4.5 **Interest.** Interest on any unpaid amounts shall be calculated in accordance with 18 CFR 35.19a(a)(2)(iii).

4.6 Payment During Dispute. In the event of a billing dispute among the Parties, Transmission Provider shall continue to construct the Affected System Network Upgrade(s) under this Agreement as long as each Affected System Interconnection Customer: (1) continues to make all payments not in dispute; and (2) pays to Transmission Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If any Affected System Interconnection Customer fails to meet these two requirements, then Transmission Provider may provide notice to such Affected System Interconnection Customer of a Default pursuant to Article 5. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to another Party shall pay the amount due with interest calculated in accordance with the methodology set forth in 18 CFR 35.19a(a)(2)(iii).

ARTICLE 5

BREACH, CURE, AND DEFAULT

5.1 Events of Breach. A Breach of this Agreement shall include the:

(a) Failure to pay any amount when due;

(b) Failure to comply with any material term or condition of this Agreement, including but not limited to any material Breach of a representation, warranty, or covenant made in this Agreement;

(c) Failure of a Party to provide such access rights, or a Party's attempt to revoke access or terminate such access rights, as provided under this Agreement; or

(d) Failure of a Party to provide information or data to another Party as required under this Agreement, provided the Party entitled to the

information or data under this Agreement requires such information or data to satisfy its obligations under this Agreement.

5.2 Definition. Breaching Party shall mean the Party that is in Breach.

5.3 Notice of Breach, Cure, and Default. Upon the occurrence of an event of Breach, any Party aggrieved by the Breach, when it becomes aware of the Breach, shall give written notice of the Breach to the Breaching Party and to any other person representing a Party to this Agreement identified in writing to the other Party in advance. Such notice shall set forth, in reasonable detail, the nature of the Breach, and where known and applicable, the steps necessary to cure such Breach.

5.3.1 Upon receiving written notice of the Breach hereunder, the Breaching Party shall have a period to cure such Breach (hereinafter referred to as the "Cure Period") which shall be sixty (60) Calendar Days. If an Affected System Interconnection Customer is the Breaching Party and the Breach results from a failure to provide payments or security under Article 4.1 of this Agreement, the other Affected System Interconnection Customers, either individually or in concert, may cure the Breach by paying the amounts owed or by providing adequate security, without waiver of contribution rights against the breaching Affected System Interconnection Customer. Such cure for the Breach of an Affected System Interconnection Customer is subject to the reasonable consent of Transmission Provider. Transmission Provider may also cure such Breach by funding the proportionate share of the Affected System Network Upgrade costs related to the Breach of Affected System Interconnection Customer. Transmission Provider must notify all Parties that it will exercise this option within thirty (30) Calendar Days of notification that an Affected System Interconnection Customer has failed to provide payments or security under Article 4.1.

5.3.2 In the event the Breach is not cured within the Cure Period, the Breaching Party will be in Default of this Agreement, and the non-Defaulting Parties may (1) act in concert to amend the Agreement to remove an Affected System Interconnection Customer that is in Default from this Agreement for cause and to make other changes

as necessary, or (2) either in concert or individually take whatever action at law or in equity as may appear necessary or desirable to enforce the performance or observance of any rights, remedies, obligations, agreement, or covenants under this Agreement.

5.4 Rights in the Event of Default. Notwithstanding the foregoing, upon the occurrence of Default, the non-Defaulting Parties shall be entitled to exercise all rights and remedies it may have in equity or at law.

ARTICLE 6

TERMINATION OF AGREEMENT

6.1 Expiration of Term. Except as otherwise specified in this Article 6, the Parties' obligations under this Agreement shall terminate at the conclusion of the term of this Agreement.

6.2 Termination and Removal. Subject to the limitations set forth in Article 6.3, in the event of a Default, termination of this Agreement, as to a given Affected System Interconnection Customer or in its entirety, shall require a filing at FERC of a notice of termination, which filing must be accepted for filing by FERC.

6.3 Disposition of Facilities Upon Termination of Agreement.

6.3.1 Transmission Provider Obligations. Upon termination of this Agreement, unless otherwise agreed to by the Parties in writing, Transmission Provider:

(a) shall, prior to the construction and installation of any portion of the Affected System Network Upgrade(s) and to the extent possible, cancel any pending orders of, or return, such equipment or material for such Affected System Network Upgrade(s);

(b) may keep in place any portion of the Affected System Network Upgrade(s) already constructed and installed; and,

(c) shall perform such work as may be necessary to ensure the safety of persons and property and to preserve the integrity of Transmission Provider's Transmission System (e.g., construction demobilization to return the system to its original state, wind-up work).

6.3.2 Affected System Interconnection Customer Obligations. Upon billing by Transmission Provider, each Affected System Interconnection Customer shall reimburse Transmission Provider for its share of any costs incurred by Transmission Provider in performance of the actions required or permitted by Article 6.3.1 and for its share of the cost of any Affected System Network Upgrade(s) described in Appendix A. Transmission Provider shall use Reasonable Efforts to minimize costs and shall offset the amounts owed by any salvage value of facilities, if applicable. Each Affected System Interconnection Customer shall pay these costs pursuant to Article 4.3 of this Agreement.

6.3.3 Pre-construction or Installation. Upon termination of this Agreement and prior to the construction and installation of any portion of the Affected System Network Upgrade(s), Transmission Provider may, at its option, retain any portion of such Affected System Network Upgrade(s) not cancelled or returned in accordance with Article 6.3.1(a), in which case Transmission Provider shall be responsible for all costs associated with procuring such Affected System Network Upgrade(s). To the extent that an Affected System Interconnection Customer has already paid Transmission Provider for any or all of such costs, Transmission Provider shall refund Affected System Interconnection Customer for those payments. If Transmission Provider elects to not retain any portion of such facilities, and one or more of Affected System Interconnection Customers wish to purchase such facilities, Transmission Provider shall convey and make available to the applicable Affected System Interconnection Customer(s) such facilities as soon as practicable after Affected System Interconnection Customer(s)' payment for such facilities.

6.4 Survival of Rights. Termination or expiration of this Agreement shall not relieve any Party of any of its liabilities and obligations arising hereunder prior to the date termination becomes effective, and each Party may take whatever judicial or administrative actions as appear necessary or desirable

to enforce its rights hereunder. The applicable provisions of this Agreement will continue in effect after expiration, or early termination hereof, to the extent necessary to provide for (1) final billings, billing adjustments, and other billing procedures set forth in this Agreement; (2) the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and (3) the confidentiality provisions set forth in Article 8.

ARTICLE 7

SUBCONTRACTORS

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

7.1.1 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. In accordance with the provisions of this Agreement, each Party shall be fully responsible to the other Parties for the acts or omissions of any subcontractor it hires as if no subcontract had been made. Any applicable obligation imposed by this Agreement upon a Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

7.1.2 No Third-Party Beneficiary. Except as may be specifically set forth to the contrary herein, no subcontractor or any other party is intended to be, nor will it be deemed to be, a third-party beneficiary of this Agreement.

7.1.3 No Limitation by Insurance. The obligations under this Article 7 will not be limited in any way by any limitation of any insurance policies or coverages, including any subcontractor's insurance.

ARTICLE 8

CONFIDENTIALITY

8.1 Confidentiality. Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied to the other Parties prior to the execution of this Agreement.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential. The Parties shall maintain as confidential any information that is provided and identified by a Party as Critical Energy Infrastructure Information (CEII), as that term is defined in 18 CFR 388.113(c).

Such confidentiality will be maintained in accordance with this Article 8. If requested by the receiving Party, the disclosing Party shall provide in writing, the basis for asserting that the information referred to in this Article warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

8.1.1 Term. During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, except as otherwise provided in this Article 8 or with regard to CEII, each Party shall hold in confidence and shall not disclose to any person Confidential Information. CEII shall be treated in accordance with FERC policies and regulations.

8.1.2 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is

generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non- confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a non- Party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this Agreement; or (6) is required, in accordance with Article 8.1.6 of this Agreement, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the receiving Party that it no longer is confidential.

8.1.3 Release of Confidential Information. No Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, agents, consultants, or to non-Parties that may be or are considering providing financing to or equity participation with Affected System Interconnection Customer(s), or to potential purchasers or assignees of Affected System Interconnection Customer(s), on a need-to-know basis in connection with this Agreement, unless such person has first been advised of the confidentiality provisions of this Article 8 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 8.

8.1.4 Rights. Each Party shall retain all rights, title, and interest in the Confidential Information that it discloses to the receiving Party. The disclosure by a Party to the receiving Party of Confidential Information shall not be deemed a waiver by the

disclosing Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

8.1.5 Standard of Care. Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication, or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this Agreement or its regulatory requirements.

8.1.6 Order of Disclosure. If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires any Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the disclosing Party with prompt notice of such request(s) or requirement(s) so that the disclosing Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

8.1.7 Termination of Agreement. Upon termination of this Agreement for any reason, each Party shall, within ten (10) Business Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the requesting Party) or return to the requesting Party any and all written or electronic Confidential Information received from the requesting Party, except that each Party may keep one copy for archival purposes, provided that the obligation to treat it as Confidential Information in accordance with this Article 8 shall survive such termination.

8.1.8 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for another Party's Breach of its obligations under this Article 8. Each Party accordingly agrees that the disclosing Party shall be entitled to equitable relief, by way of injunction or otherwise, if the receiving Party Breaches or threatens to Breach its obligations under this Article 8, which equitable relief shall be granted without bond or proof of damages, and the Breaching Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 8, but it shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 8.

8.1.9 Disclosure to FERC, its Staff, or a State Regulatory Body. Notwithstanding anything in this Article 8 to the contrary, and pursuant to 18 CFR 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from a Party that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Parties to this Agreement prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Parties to the Agreement when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR 388.112. Requests from a state regulatory body

conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

8.1.10 Subject to the exception in Article 8.1.9, any information that a disclosing Party claims is competitively sensitive, commercial, or financial information under this Agreement shall not be disclosed by the receiving Party to any person not employed or retained by the receiving Party, except to the extent disclosure is (1) required by law; (2) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (3) otherwise permitted by consent of the disclosing Party, such consent not to be unreasonably withheld; or (4) necessary to fulfill its obligations under this Agreement or as Transmission Provider or a balancing authority, including disclosing the Confidential Information to a regional or national reliability organization. The Party asserting confidentiality shall notify the receiving Party in writing of the information that Party claims is confidential. Prior to any disclosures of that Party's Confidential Information under this subparagraph, or if any non-Party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the Party that received the Confidential Information from the disclosing Party agrees to promptly notify the disclosing Party in writing and agrees to assert confidentiality and cooperate with the disclosing Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order, or other reasonable measures.

ARTICLE 9

INFORMATION ACCESS AND AUDIT RIGHTS

9.1 Information Access. Each Party shall make available to the other Parties information necessary to verify the costs incurred by the other Parties for which the requesting Party is responsible under this Agreement and carry out obligations and responsibilities under this Agreement, provided that

the Parties shall not use such information for purposes other than those set forth in this Article 9.1 and to enforce their rights under this Agreement.

9.2 Audit Rights. Subject to the requirements of confidentiality under Article 8 of this Agreement, the accounts and records related to the design, engineering, procurement, and construction of the Affected System Network Upgrade(s) shall be subject to audit during the period of this Agreement and for a period of twenty- four (24) months following Transmission Provider's issuance of a final invoice in accordance with Article 4.4. Affected System Interconnection Customers may, jointly or individually, at the expense of the requesting Party(ies), during normal business hours, and upon prior reasonable notice to Transmission Provider, audit such accounts and records. Any audit authorized by this Article 9.2 shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to obligations under this Agreement.

ARTICLE 10

NOTICES

10.1 General. Any notice, demand, or request required or permitted to be given by a Party to the other Parties, and any instrument required or permitted to be tendered or delivered by a Party in writing to another Party, may be so given, tendered, or delivered, as the case may be, by depositing the same with the United States Postal Service with postage prepaid, for transmission by certified or registered mail, addressed to the Parties, or personally delivered to the Parties, at the address set out below:

To Transmission Provider:

To Affected System Interconnection Customers:

10.2 Billings and Payments. Billings and payments shall be sent to the

addresses shown in Article 10.1 unless otherwise agreed to by the Parties.

10.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to the other Parties and not required by this Agreement to be given in writing may be so given by telephone, facsimile, or email to the telephone numbers and email addresses set out below:

To Transmission Provider:

To Affected System Interconnection Customers:

10.4 Execution and Filing. Affected System Interconnection Customers shall either: (i) execute the two originals of this tendered Agreement and return them to Transmission Provider; or (ii) request in writing that Transmission Provider file with FERC this Agreement in unexecuted form. As soon as practicable, but not later than ten (10) Business Days after receiving either the two executed originals of this tendered Agreement (if it does not conform with a FERC-approved standard form of this Agreement) or the request to file this Agreement unexecuted, Transmission Provider shall file this Agreement with FERC, together with its explanation of any matters as to which Affected System Interconnection Customers and Transmission Provider disagree and support for the costs that Transmission Provider proposes to charge to Affected System Interconnection Customers under this Agreement. An unexecuted version of this Agreement should contain terms and conditions deemed appropriate by Transmission Provider for the Affected System Interconnection Customers' generating facilities. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted version of this Agreement, they may proceed pending FERC action.

ARTICLE 11

MISCELLANEOUS

11.1 This Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability, and

assignment, which reflect best practices in the electric industry, that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of this LGIP.

{Signature Page to Follow}

IN WITNESS WHEREOF, the Parties have executed this Agreement in multiple originals, each of which shall constitute and be an original Agreement among the Parties.

Transmission Provider

{Transmission Provider}

By: _____

Name: _____

Title: _____

Affected System Interconnection Customer

{Affected System Interconnection Customer} By: _____

Name: _____

Title: _____

Project No. ____

Affected System Interconnection Customer

{Affected System Interconnection Customer}

By: _____

Name: _____

_____

Title: _____

Project No. _

Attachment A to Appendix 12

Multiparty Affected System Facilities Construction Agreement

AFFECTED SYSTEM NETWORK UPGRADE(S), COST ESTIMATES AND RESPONSIBILITY, CONSTRUCTION SCHEDULE, AND MONTHLY PAYMENT SCHEDULE

This Appendix A is a part of the Multiparty Affected System Facilities Construction Agreement among Affected System Interconnection Customers and Transmission Provider.

1.1 Affected System Network Upgrade(s) to be installed by Transmission Provider.

{description}

1.2 First Equipment Order (including permitting).

{description}

1.2.1. Permitting and Land Rights – Transmission Provider Affected System Network Upgrade(s)

{description}

1.3 Construction Schedule. Where applicable, construction of the Affected System Network Upgrade(s) is scheduled as follows and will be periodically updated as necessary:

Table 3: Transmission Provider Construction Activities

MILESTONE NUMBER	DESCRIPTION	START DATE	END DATE

Note: Construction schedule assumes that Transmission Provider has obtained final authorizations and security from Affected System Interconnection Customers and all necessary permits from Governmental Authorities as necessary prerequisites to commence construction of any of the Affected System Network Upgrade(s).

1.4 Payment Schedule.

1.4.1 Timing of and Adjustments to Affected System Interconnection Customers' Payments and Security.

{description}

1.4.2 Monthly Payment Schedule. Affected System Interconnection Customers' payment schedule is as follows.

{description}

Table 4: Affected System Interconnection Customers' Payment/Security Obligations for Affected System Network Upgrade(s).

MILESTONE NUMBER	DESCRIPTION	DATE

* Affected System Interconnection Customers' proportionate responsibility for each payment is as follows:

Affected System Interconnection Customer 1 __._%

Affected System Interconnection Customer 2 __._%

Affected System Interconnection Customer N

._%

Note: Affected System Interconnection Customers' payment or provision of security as provided in this Agreement operates as a condition precedent to Transmission Provider's obligations to construct any Affected System Network Upgrade(s), and failure to meet this schedule will constitute a Breach pursuant to Article 5.1 of this Agreement.

1.5 Permits, Licenses, and Authorizations.

{description}

Attachment B to Appendix

12 Multiparty Affected System Facilities Construction Agreement

NOTIFICATION OF COMPLETED CONSTRUCTION

This Appendix B is a part of the Multiparty Affected System Facilities Construction Agreement among Affected System Interconnection Customers and Transmission Provider. Where applicable, when Transmission Provider has completed construction of the Affected System Network Upgrade(s), Transmission Provider shall send notice to Affected System Interconnection Customers in substantially the form following:

{Date}

{Affected System Interconnection Customers Addresses}

Re: Completion of Affected System Network Upgrade(s)

Dear {Name or Title}:

This letter is sent pursuant to the Multiparty Affected System Facilities Construction Agreement among {Transmission Provider} and {Affected System Interconnection Customers}, dated _____, 20____.

On {Date}, Transmission Provider completed to its satisfaction all work on the Affected System Network Upgrade(s) required to facilitate the safe and reliable interconnection and operation of Affected System Interconnection Customer's generating facilities. Transmission Provider confirms that the Affected System Network Upgrade(s) are in place.

Thank you.

{Signature}

{Transmission Provider Representative}

Attachment C to Appendix 12

Multiparty Affected System Facilities Construction Agreement

EXHIBITS

This Appendix C is a part of the Multiparty Affected System Facilities Construction Agreement among Affected System Interconnection Customers and Transmission Provider.

Exhibit A1

Transmission Provider Site

Map

Exhibit

A2 Site

Plan

Exhibit A3

Affected System Network Upgrade(s) Plan & Profile

Exhibit A4

Estimated Cost of Affected System Network Upgrade(s)

Location	Facilities to Be Constructed by Transmission Provider	Estimate in Dollars
	Total:	

STANDARD LARGE GENERATOR

INTERCONNECTION AGREEMENT (LGIA)

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STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT

THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT ("Agreement") is made and entered into this ____day of _____ 20___, by and between _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ ("Interconnection Customer" with a Large Generating Facility), and _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ ("Transmission Provider and/or Transmission Owner"). Interconnection Customer and Transmission Provider each may be referred to as a "Party" or collectively as the "Parties."

Recitals

WHEREAS, Transmission Provider operates the Transmission System; and

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the Generating Facility identified as a Large Generating Facility in Appendix C to this Agreement; and,

WHEREAS, Interconnection Customer and Transmission Provider have agreed to enter into this Agreement for the purpose of interconnecting the Large Generating Facility with the Transmission System;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

When used in this Standard Large Generator Interconnection Agreement, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used or the Open Access Transmission Tariff (Tariff).

Article 1. Definitions

Adverse System Impact shall mean the negative effects due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.

Affected System shall mean an electric system other than Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

Affiliate shall mean, with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

Ancillary Services shall mean those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of Transmission Provider's Transmission System in accordance with Good Utility Practice.

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Standards shall mean the requirements and guidelines of the Electric Reliability Organization and the Balancing Authority Area of the Transmission System to which the Generating Facility is directly interconnected.

Balancing Authority shall mean an entity that integrates resource plans ahead of time, maintains demand and resource balance within a Balancing Authority Area, and supports interconnection frequency in real time.

Balancing Authority Area shall mean the collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies by Transmission Provider or Interconnection Customer.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the Standard Large Generator Interconnection Agreement.

Breaching Party shall mean a Party that is in Breach of the Standard Large Generator Interconnection Agreement.

Business Day shall mean Monday through Friday, excluding Federal Holidays.

Calendar Day shall mean any day including Saturday, Sunday or a Federal Holiday.

Cluster shall mean a group of one or more Interconnection Requests that are studied together for the purpose of conducting a Cluster Study.

Cluster Restudy shall mean a restudy of a Cluster Study conducted pursuant to Section 7.5 of the LGIP.

Cluster Study shall mean the evaluation of one or more Interconnection Requests within a Cluster as described in Section 7 of the LGIP.

Clustering shall mean the process whereby one or more Interconnection Requests are studied together, instead of serially, as described in Section 7 of the LGIP.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Standard Large Generator Interconnection Agreement.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Contingent Facilities shall mean those unbuilt Interconnection Facilities and Network Upgrades upon which the Interconnection Request's costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for restudies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Standard Large Generator Interconnection Agreement.

Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution System shall mean Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

Distribution Upgrades shall mean the additions, modifications, and upgrades to Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which the Standard Large Generator Interconnection Agreement becomes effective upon execution by the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.

Electric Reliability Organization shall mean the North American Electric Reliability Corporation (NERC) or its successor organization.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of a Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Transmission Provider's Transmission System, Transmission Provider's Interconnection Facilities or the electric systems of others to which Transmission Provider's Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by the Standard Large Generator Interconnection Agreement to possess black start capability.

Energy Resource Interconnection Service shall mean an Interconnection Service that allows Interconnection Customer to connect its Generating Facility to Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or nonfirm capacity of Transmission Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

Engineering & Procurement (E&P) Agreement shall mean an agreement that authorizes Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a et seq.

FERC shall mean the Federal Energy Regulatory Commission (Commission) or its successor.

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility shall mean Interconnection Customer's device(s) for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include Interconnection Customer's Interconnection Facilities.

Generating Facility Capacity shall mean the net capacity of the Generating Facility or the aggregate net capacity of the Generating Facility where it includes more than one device for the production and/or storage for later injection of electricity.

Good Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good

business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer, Transmission Provider, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date shall mean the date upon which Interconnection Customer reasonably expects it will be ready to begin use of Transmission Provider's Interconnection Facilities to obtain back feed power.

Interconnection Customer shall mean any entity, including Transmission Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with Transmission Provider's Transmission System. Where the Interconnection Customer and the Transmission Provider are the same entity, application of the following provisions set forth herein is not required: provisions governing the posting of security (in Articles 5 and 11), provisions governing taxes and reimbursements for tax liability (in Article 5), provisions governing indemnity, consequential damages and insurance (in Article 18), and provisions governing billing and payment (in Articles 12 and 15) (invoices are not required, but may be generated and tendered for administrative use to aid in the

identification and accounting of costs).

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the Standard Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to Transmission Provider's Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean Transmission Provider's Interconnection Facilities and Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Study shall mean a study conducted by Transmission Provider or a third party consultant for Interconnection Customer to determine a list of facilities (including Transmission Provider's Interconnection Facilities and Network Upgrades as identified in the Cluster Study), the cost of those facilities, and the time required to interconnect the Generating Facility with Transmission Provider's Transmission System. The scope of the study is defined in Section 8 of the LGIP.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 3 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Facilities Study.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to the LGIP, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with Transmission Provider's Transmission System.

Interconnection Service shall mean the service provided by Transmission Provider associated with interconnecting Interconnection Customer's Generating Facility to Transmission Provider's Transmission System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Standard Large Generator Interconnection Agreement and, if

applicable, Transmission Provider's Tariff.

Interconnection Study shall mean any of the following studies: the Cluster Study, the Cluster Restudy, the Surplus Interconnection Service Study, the Interconnection Facilities Study, the Affected System Study, Optional Interconnection Study, and Material Modification assessment, described in the LGIP.

IRS shall mean the Internal Revenue Service.

Joint Operating Committee shall be a group made up of representatives from Interconnection Customers and Transmission Provider to coordinate operating and technical considerations of Interconnection Service.

Large Generating Facility shall mean a Generating Facility having a Generating Facility Capacity of more than 20 MW.

LGIA Deposit shall mean the deposit Interconnection Customer submits when returning the executed LGIA, or within ten (10) Business Days of requesting that the LGIA be filed unexecuted at the Commission, in accordance with Section 11.3 of the LGIP.

Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non-performance of its obligations under the Standard Large Generator Interconnection Agreement on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the Indemnifying Party.

Material Modification shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with an equal or later Queue Position.

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Standard Large Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

Network Resource shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the

Network Customer's Network Load on a non-interruptible basis.

Network Resource Interconnection Service shall mean an Interconnection Service that allows Interconnection Customer to integrate its Large Generating Facility with Transmission Provider's Transmission System (1) in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Facilities connect to Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to Transmission Provider's Transmission System.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Standard Large Generator Interconnection Agreement or its performance.

Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 4 of the LGIP for conducting the Optional Interconnection Study.

Party or Parties shall mean Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where Interconnection Customer's Interconnection Facilities connect to Transmission Provider's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Facilities connect to Transmission Provider's Transmission System.

Proportional Impact Method shall mean a technical analysis conducted by Transmission Provider to determine the degree to which each Generating Facility in the Cluster Study contributes to the need for a specific System Network Upgrade.

Provisional Interconnection Service shall mean Interconnection Service provided by Transmission Provider associated with interconnecting Interconnection Customer's Generating Facility to Transmission Provider's Transmission System and enabling that Transmission System to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

Provisional Large Generator Interconnection Agreement shall mean the interconnection agreement for Provisional Interconnection Service established between Transmission Provider and/or the Transmission Owner and Interconnection Customer. This agreement shall take the form of the Standard Large Generator Interconnection Agreement, modified for provisional purposes.

Queue Position shall mean the order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, established pursuant to Section 4.1 of this LGIP.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Standard Large Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Scoping Meeting shall mean the meeting between representatives of Interconnection Customer(s) and Transmission Provider conducted for the purpose of discussing the proposed Interconnection Request and any alternative interconnection options, exchanging information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, refining information and models provided by Interconnection Customer(s), discussing the Cluster Study materials posted to OASIS pursuant to Section 3.5 of the LGIP, and analyzing such information.

Site Control shall mean the exclusive land right to develop, construct, operate, and maintain the Generating Facility over the term of expected operation of the Generating Facility. Site Control may be demonstrated by documentation establishing: (1) ownership of, a leasehold interest in, or a right to develop a site of sufficient size to construct and operate the Generating Facility; (2) an option to purchase or acquire a leasehold site of sufficient size to construct and operate the Generating Facility; or (3) any other documentation that clearly demonstrates the right of Interconnection Customer to exclusively occupy a site of sufficient size to construct and operate the Generating Facility. Transmission Provider will maintain acreage requirements for each Generating

Facility type on its OASIS or public website.

Small Generating Facility shall mean a Generating Facility that has a Generating Facility Capacity of no more than 20 MW.

Stand Alone Network Upgrades shall mean Network Upgrades that are not part of an Affected System that Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both Transmission Provider and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Large Generator Interconnection Agreement. If Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, Transmission Provider must provide Interconnection Customer a written technical explanation outlining why Transmission Provider does not consider the Network Upgrade to be a Stand Alone Network Upgrade within fifteen (15) Business Days of its determination.

Standard Large Generator Interconnection Agreement (LGIA) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility (or a Small Generating Facility requesting to interconnect under Network Resource Interconnection Service) that is included in Transmission Provider's Tariff.

Standard Large Generator Interconnection Procedures (LGIP) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility (or a Small Generating Facility requesting to interconnect under Network Resource Interconnection Service) that are included in Transmission Provider's Tariff.

Substation Network Upgrades shall mean Network Upgrades that are required at the substation located at the Point of Interconnection.

Surplus Interconnection Service shall mean any unneeded portion of Interconnection Service established in a Standard Large Generator Interconnection Agreement, such that if Surplus Interconnection Service is utilized the total amount of Interconnection Service at the Point of Interconnection would remain the same.

System Network Upgrades shall mean Network Upgrades that are required beyond the substation located at the Point of Interconnection.

System Protection Facilities shall mean the equipment, including necessary

protection signal communications equipment, required to protect (1) Transmission Provider's Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on Transmission Provider's Transmission System or on other delivery systems or other generating systems to which Transmission Provider's Transmission System is directly connected.

Tariff shall mean Transmission Provider's Tariff through which open access transmission service and Interconnection Service are offered, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

Transmission Owner shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Standard Large Generator Interconnection Agreement to the extent necessary.

Transmission Provider shall mean the public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from Transmission Provider.

Transmission Provider's Interconnection Facilities shall mean all facilities and equipment owned, controlled, or operated by Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Standard Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Transmission System shall mean the facilities owned, controlled or operated by Transmission Provider or Transmission Owner that are used to provide transmission service under the Tariff.

Trial Operation shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

Variable Energy Resource shall mean a device for the production of electricity that is characterized by an energy source that: (1) is renewable; (2) cannot be stored by the facility owner or operator; and (3) has variability that is beyond the control of the

facility owner or operator.

Withdrawal Penalty shall mean the penalty assessed by Transmission Provider to an Interconnection Customer that chooses to withdraw or is deemed withdrawn from Transmission Provider's interconnection queue or whose Generating Facility does not otherwise reach Commercial Operation. The calculation of the Withdrawal Penalty is set forth in Section 3.7.1 of the LGIP.

Article 2. Effective Date, Term, and Termination

2.1 Effective Date. This LGIA shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC. Transmission Provider shall promptly file this LGIA with FERC upon execution in accordance with Article 3.1, if required.

2.2 Term of Agreement. Subject to the provisions of Article 2.3, this LGIA shall remain in effect for a period of ten (10) years from the Effective Date or such other longer period as Interconnection Customer may request (Term to be specified in individual agreements) and shall be automatically renewed for each successive one-year period thereafter.

2.3 Termination Procedures.

2.3.1 Written Notice. This LGIA may be terminated by Interconnection Customer after giving Transmission Provider ninety (90) Calendar Days advance written notice, or by Transmission Provider notifying FERC after the Generating Facility permanently ceases Commercial Operation.

2.3.2 Default. Either Party may terminate this LGIA in accordance with Article 17.

2.3.3 Notwithstanding Articles 2.3.1 and 2.3.2, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this LGIA, which notice has been accepted for filing by FERC.

2.4 Termination Costs. If a Party elects to terminate this Agreement pursuant to Article 2.3 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party, as of the date of the other Party's receipt of such notice of termination, that are the responsibility of the Terminating Party under this LGIA. In the event of termination by a Party, the Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this LGIA, unless otherwise ordered or approved by FERC:

2.4.1 With respect to any portion of Transmission Provider's Interconnection Facilities that have not yet been constructed or installed, Transmission Provider shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Transmission Provider shall deliver such material and equipment, and, if necessary, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Transmission Provider for any or all such costs of materials or equipment not taken by Interconnection Customer, Transmission Provider shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by Transmission Provider to cancel any pending orders of or return such materials, equipment, or contracts.

If an Interconnection Customer terminates this LGIA, it shall be responsible for all costs incurred in association with that Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any Network Upgrades for which Transmission Provider has incurred expenses and has not been reimbursed by Interconnection Customer.

2.4.2 Transmission Provider may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Transmission Provider shall be responsible for all costs associated with procuring such materials, equipment, or facilities.

2.4.3 With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this LGIA, Interconnection Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

2.5 Disconnection. Upon termination of this LGIA, the Parties will take all appropriate steps to disconnect the Large Generating Facility from the Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this LGIA or such non-terminating Party otherwise is responsible for these costs under this LGIA.

Survival. This LGIA shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this LGIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this LGIA was in effect; and to permit

each Party to have access to the lands of the other Party pursuant to this LGIA orother applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

Article 3. Regulatory Filings

3.1 Filing. Transmission Provider shall file this LGIA (and any amendment hereto) with the appropriate Governmental Authority, if required. Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 22. If Interconnection Customer has executed this LGIA, or any amendment thereto, Interconnection Customer shall reasonably cooperate with Transmission Provider with respect to such filing and to provide any information reasonably requested by Transmission Provider needed to comply with applicable regulatory requirements.

Article 4. Scope of Service

4.1 Interconnection Product Options. Interconnection Customer has selected the following (checked) type of Interconnection Service:

4.1.1 Energy Resource Interconnection Service.

4.1.1.1 The Product. Energy Resource Interconnection Service allows Interconnection Customer to connect the Large Generating Facility to the Transmission System and be eligible to deliver the Large Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an "as available" basis. To the extent Interconnection Customer wants to receive Energy

Resource Interconnection Service, Transmission Provider shall construct facilities identified in Attachment A.

4.1.1.2 Transmission Delivery Service Implications.

Under Energy Resource Interconnection Service, Interconnection Customer will be eligible to inject power from the Large Generating Facility into and deliver power across the interconnecting Transmission Provider's Transmission System on an "as available" basis up to the amount of MWs identified in the applicable stability and steady state studies to the extent the upgrades initially required to qualify for Energy Resource Interconnection Service have been constructed. Where eligible to do so (e.g., PJM, ISO-NE, NYISO), Interconnection Customer may place a bid to sell into the market up to the maximum identified Large Generating Facility output, subject to any conditions specified in the interconnection service approval, and the Large Generating Facility will be dispatched to the extent Interconnection Customer's bid clears. In all other instances, no transmission delivery service from the Large Generating Facility is assured, but Interconnection Customer may obtain Point-to- Point Transmission Service, Network Integration Transmission Service, or be used for secondary network transmission service, pursuant to Transmission Provider's Tariff, up to the maximum output identified in the stability and steady state studies. In those instances, in order for Interconnection Customer to obtain the right to deliver or inject energy beyond the Large Generating Facility Point of Interconnection or to improve its ability to do so, transmission delivery service must be obtained pursuant to the provisions of Transmission Provider's Tariff. Interconnection Customer's ability to inject its Large Generating Facility output beyond the Point of Interconnection, therefore, will depend on the existing capacity of Transmission Provider's Transmission System at such time as a transmission service request is made that

would accommodate such delivery. The provision of firm

Point-to-Point Transmission Service or Network Integration Transmission Service may require the construction of additional Network Upgrades.

4.1.2 Network Resource Interconnection Service.

4.1.2.1 The Product. Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility (1) in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an ISO or RTO with market based congestion management, in the same manner as all Network Resources. To the extent Interconnection Customer wants to receive Network Resource Interconnection Service, Transmission Provider shall construct the facilities identified in Attachment A to this LGIA.

4.1.2.2 Transmission Delivery Service Implications. Network Resource Interconnection Service allows Interconnection Customer's Large Generating Facility to be designated by any Network Customer under the Tariff on Transmission Provider's Transmission System as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur. Although Network Resource Interconnection Service does not convey a reservation of transmission service, any Network Customer under the Tariff can utilize its network service under the Tariff to obtain delivery of energy from the interconnected Interconnection Customer's Large Generating Facility in the same manner as it accesses Network Resources. A Large Generating Facility

receiving Network Resource Interconnection Service may also be used to provide Ancillary Services after technical studies and/or periodic analyses are performed with respect to the Large Generating Facility's ability to provide any applicable Ancillary Services, provided that such studies and analyses have been or would be required in connection with the provision of such Ancillary Services by any existing Network Resource. However, if an Interconnection Customer's Large Generating Facility has not been designated as a Network Resource by any load, it cannot be required to provide Ancillary Services except to the extent such requirements extend to all generating facilities that are similarly situated. The provision of Network Integration Transmission Service or firm Point-to-Point Transmission Service may require additional studies and the construction of additional upgrades. Because such studies and upgrades would be associated with a request for delivery service under the Tariff, cost responsibility for the studies and upgrades would be in accordance with FERC's policy for pricing transmission delivery services.

Network Resource Interconnection Service does not necessarily provide Interconnection Customer with the capability to physically deliver the output of its Large Generating Facility to any particular load on Transmission Provider's Transmission System without incurring congestion costs. In the event of transmission constraints on Transmission Provider's Transmission System, Interconnection Customer's Large Generating Facility shall be subject to the applicable congestion management procedures in Transmission Provider's Transmission System in the same manner as Network Resources.

There is no requirement either at the time of study or interconnection, or at any point in the future, that

Interconnection Customer's Large Generating Facility be designated as a Network Resource by a Network Service Customer under the Tariff or that Interconnection Customer identify a specific buyer (or sink). To the extent a Network Customer does designate the Large Generating Facility as a Network Resource, it must do so pursuant to Transmission Provider's Tariff.

Once an Interconnection Customer satisfies the requirements for obtaining Network Resource Interconnection Service, any future transmission service request for delivery from the Large Generating Facility within Transmission Provider's Transmission System of any amount of capacity and/or energy, up to the amount initially studied, will not require that any additional studies be performed or that any further upgrades associated with such Large Generating Facility be undertaken, regardless of whether or not such Large Generating Facility is ever designated by a Network Customer as a Network Resource and regardless of changes in ownership of the Large Generating Facility. However, the reduction or elimination of congestion or redispatch costs may require additional studies and the construction of additional upgrades.

To the extent Interconnection Customer enters into an arrangement for long term transmission service for deliveries from the Large Generating Facility outside Transmission Provider's Transmission System, such request may require additional studies and upgrades in order for Transmission Provider to grant such request.

4.2 Provision of Service. Transmission Provider shall provide Interconnection Service for the Large Generating Facility at the Point of Interconnection.

4.3 Performance Standards. Each Party shall perform all of its obligations under this LGIA in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this LGIA for its compliance therewith. If such Party is a Transmission Provider or Transmission Owner, then that Party shall amend the LGIA and submit the amendment to FERC for approval.

4.4 No Transmission Delivery Service. The execution of this LGIA does not constitute a request for, nor the provision of, any transmission delivery service under Transmission Provider's Tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.

4.5 Interconnection Customer Provided Services. The services provided by Interconnection Customer under this LGIA are set forth in Article 9.6 and Article

13.5.1. Interconnection Customer shall be paid for such services in accordance with Article 11.6.

Article 5. Interconnection Facilities Engineering, Procurement, and Construction

5.1 Options. Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either the Standard Option or Alternate Option set forth below, and such dates and selected option shall be set forth in Appendix B, Milestones. At the same time, Interconnection Customer shall indicate whether it elects to exercise the Option to Build set forth in Article

5.1.3 below. If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days. Upon receipt of the notification that Interconnection Customer's designated dates are not acceptable to Transmission Provider, Interconnection Customer shall notify Transmission

Provider within thirty (30) Calendar Days whether it elects to exercise the Option to Build if it has not already elected to exercise the Option to Build.

5.1.1 Standard Option. Transmission Provider shall design, procure, and construct Transmission Provider's Interconnection Facilities and Network Upgrades, using Reasonable Efforts to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the dates set forth in Appendix B, Milestones. Transmission Provider shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event Transmission Provider reasonably expects that it will not be able to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the specified dates, Transmission Provider shall promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

5.1.2 Alternate Option. If the dates designated by Interconnection Customer are acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities by the designated dates.

If Transmission Provider subsequently fails to complete Transmission Provider's Interconnection Facilities by the In-Service Date, to the extent necessary to provide back feed power; or fails to complete Network Upgrades by the Initial Synchronization Date to the extent necessary to allow for Trial Operation at full power output, unless other arrangements are made by the Parties for such Trial Operation; or fails to complete the Network Upgrades by the Commercial Operation Date, as such dates are reflected in Appendix B, Milestones; Transmission Provider shall pay Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by

Interconnection Customer shall be extended day for day for each day that the applicable RTO or ISO refuses to grant clearances to install equipment.

5.1.3 Option to Build. Individual or Multiple Interconnection Customers shall have the option to assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades on the dates specified in Article 5.1.2, if the requirements of this Article 5.1.3 are met. When multiple Interconnection Customers exercise this option, multiple Interconnection Customers may agree to exercise this option provided (1) all Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades constructed under this option are only required for Interconnection Customers in a single Cluster and (2) all impacted Interconnection Customers execute and provide to Transmission Provider an agreement regarding responsibilities and payment for the construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades planned to be built under this option. Transmission Provider and the individual Interconnection Customer or each of the multiple Interconnection Customers must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A. Except for Stand Alone Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option.

5.1.4 Negotiated Option. If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, the Parties shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates and liquidated damages, the provision of incentives, or the procurement and construction of all facilities other than Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades if Interconnection Customer elects to exercise the Option to Build under Article 5.1.3). If the Parties are unable to reach agreement on such terms and conditions, then pursuant to Article 5.1.1 (Standard Option), Transmission Provider shall assume responsibility for the design, procurement and construction of all facilities other than Transmission

Provider's Interconnection Facilities and Stand Alone Network Upgrades if Interconnection Customer elects to exercise the Option to Build.

5.2 General Conditions Applicable to Option to Build. If Interconnection Customer assumes responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades,

(1) Interconnection Customer shall engineer, procure equipment, and construct Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by Transmission Provider;

(2) Interconnection Customer's engineering, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of law to which Transmission Provider would be subject in the engineering, procurement or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(3) Transmission Provider shall review and approve the engineering design, equipment acceptance tests, and the construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(4) prior to commencement of construction, Interconnection Customer shall provide to Transmission Provider a schedule for construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for information from Transmission Provider;

(5) at any time during construction, Transmission Provider shall have the right to gain unrestricted access to Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;

(6) at any time during construction, should any phase of the engineering, equipment procurement, or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by Transmission Provider, Interconnection Customer shall be obligated to remedy deficiencies in that portion of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(7) Interconnection Customer shall indemnify Transmission Provider for claims arising from Interconnection Customer's construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades under the terms and procedures applicable to Article 18.1 Indemnity;

(8) Interconnection Customer shall transfer control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to Transmission Provider;

(9) Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Transmission Provider's Interconnection Facilities and Stand-Alone Network Upgrades to Transmission Provider;

(10) Transmission Provider shall approve and accept for operation and maintenance Transmission Provider's Interconnection Facilities and Stand

Alone Network Upgrades to the extent engineered, procured, and constructed in accordance with this Article 5.2; and

(11) Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information, and any other documents that are reasonably required by Transmission Provider to assure that the Interconnection Facilities and Stand-Alone Network Upgrades are built to the standards and specifications required by Transmission Provider.

(12) If Interconnection Customer exercises the Option to Build pursuant to Article 5.1.3, Interconnection Customer shall pay Transmission Provider the agreed upon amount of {$ PLACEHOLDER} for Transmission Provider to execute the responsibilities enumerated to Transmission Provider under Article 5.2. Transmission Provider shall invoice Interconnection Customer for this total amount to be divided on a monthly basis pursuant to Article 12.

5.3 Liquidated Damages. The actual damages to Interconnection Customer, in the event Transmission Provider's Interconnection Facilities or Network Upgrades are not completed by the dates designated by Interconnection Customer and accepted by Transmission Provider pursuant to subparagraphs 5.1.2 or 5.1.4, above, may include Interconnection Customer's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of such uncertainty, any liquidated damages paid by Transmission Provider to Interconnection Customer in the event that Transmission Provider does not complete any portion of Transmission Provider's Interconnection Facilities or Network Upgrades by the applicable dates, shall be an amount equal to ½ of 1 percent per day of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades, in the aggregate, for which Transmission Provider has assumed responsibility to design, procure and construct.

However, in no event shall the total liquidated damages exceed 20 percent of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades for which Transmission Provider has assumed responsibility to design,

procure, and construct. The foregoing payments will be made by Transmission Provider to Interconnection Customer as just compensation for the damages caused to Interconnection Customer, which actual damages are uncertain and impossible to determine at this time, and as reasonable liquidated damages, but not as a penalty or a method to secure performance of this LGIA. Liquidated damages, when the Parties agree to them, are the exclusive remedy for Transmission Provider's failure to meet its schedule.

No liquidated damages shall be paid to Interconnection Customer if: (1) Interconnection Customer is not ready to commence use of Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for the Large Generating Facility's Trial Operation or to export power from the Large Generating Facility on the specified dates, unless Interconnection Customer would have been able to commence use of Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for Large Generating Facility's Trial Operation or to export power from the Large Generating Facility, but for Transmission Provider's delay; (2) Transmission Provider's failure to meet the specified dates is the result of the action or inaction of Interconnection Customer or any other Interconnection Customer who has entered into an LGIA with Transmission Provider or any cause beyond Transmission Provider's reasonable control or reasonable ability to cure; (3) Interconnection Customer has assumed responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades; or (4) the Parties have otherwise agreed.

5.4 Power System Stabilizers. Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with the guidelines and procedures established by the Electric Reliability Organization. Transmission Provider reserves the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative. The requirements of this paragraph shall not apply to wind generators.

5.5 Equipment Procurement. If responsibility for construction of Transmission Provider's Interconnection Facilities or Network Upgrades is to be borne by Transmission Provider, then Transmission Provider shall commence design of Transmission Provider's Interconnection Facilities or Network Upgrades and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

5.5.1 Transmission Provider has completed the Interconnection Facilities Study pursuant to the Interconnection Facilities Study Agreement;

5.5.2 Transmission Provider has received written authorization to proceed with design and procurement from Interconnection Customer by the date specified in Appendix B, Milestones; and

5.5.3 Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.6 Construction Commencement. Transmission Provider shall commence construction of Transmission Provider's Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:

5.6.1 Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;

5.6.2 Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of Transmission Provider's Interconnection Facilities and Network Upgrades;

5.6.3 Transmission Provider has received written authorization to proceed with construction from Interconnection Customer by the date specified in Appendix B, Milestones; and

5.6.4 Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.7 Work Progress. The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, at any time, request a progress report from the other Party. If, at any time, Interconnection Customer determines that the completion of Transmission Provider's Interconnection Facilities will not be required until after the specified In-Service Date, Interconnection Customer will provide written notice to Transmission Provider of such later date upon which the completion of Transmission Provider's Interconnection Facilities will be required.

5.8 Information Exchange. As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with Transmission Provider's Transmission System, and shall work diligently and in good faith to make any necessary design changes.

5.9 Other Interconnection Options.

5.9.1 Limited Operation. If any of Transmission Provider's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Large Generating Facility, Transmission Provider shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Large Generating Facility and Interconnection Customer's Interconnection Facilities may operate prior to

the completion of Transmission Provider's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA. Transmission Provider shall permit Interconnection Customer to operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.

5.9.2 Provisional Interconnection Service. Upon the request of Interconnection Customer, and prior to completion of requisite Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities Transmission Provider may execute a Provisional Large Generator Interconnection Agreement or Interconnection Customer may request the filing of an unexecuted Provisional Large Generator Interconnection Agreement with Interconnection Customer for limited Interconnection Service at the discretion of Transmission Provider based upon an evaluation that will consider the results of available studies. Transmission Provider shall determine, through available studies or additional studies as necessary, whether stability, short circuit, thermal, and/or voltage issues would arise if Interconnection Customer interconnects without modifications to the Generating Facility or Transmission System. Transmission Provider shall determine whether any Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities that are necessary to meet the requirements of the Electric Reliability Organization, or any applicable Regional Entity for the interconnection of a new, modified and/or expanded Generating Facility are in place prior to the commencement of Interconnection Service from the Generating Facility. Where available studies indicate that such, Interconnection Facilities, Network Upgrades, Distribution Upgrades, and/or System Protection Facilities that are required for the interconnection of a new, modified and/or expanded Generating Facility are not currently in place, Transmission Provider will perform a study, at Interconnection Customer's expense, to confirm the facilities that are required for Provisional Interconnection Service. The maximum permissible output of the Generating Facility in the Provisional Large Generator Interconnection Agreement shall be studied and updated {on a frequency determined by Transmission Provider and at Interconnection Customer's expense}.

Interconnection Customer assumes all risk and liabilities with respect to changes between the Provisional Large Generator Interconnection Agreement and the Large Generator Interconnection Agreement, including changes in output limits and Interconnection Facilities, Network Upgrades, Distribution Upgrades, and/or System Protection Facilities cost responsibilities.

5.10 Interconnection Customer's Interconnection Facilities ('ICIF'). Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.10.1 Interconnection Customer's Interconnection Facility Specifications. Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Transmission Provider at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. Transmission Provider shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

5.10.2 Transmission Provider's Review. Transmission Provider's review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be required by Transmission Provider, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the technical specifications,

operational control, and safety requirements of Transmission Provider.

5.10.3 ICIF Construction. The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information and documents for the ICIF, such as: a one-line diagram, a site plan showing the Large Generating Facility and the ICIF, plan and elevation drawings showing the layout of the ICIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with Interconnection Customer's step-up transformers, the facilities connecting the Large Generating Facility to the step-up transformers and the ICIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Large Generating Facility. Interconnection Customer shall provide Transmission Provider specifications for the excitation system, automatic voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

5.11 Transmission Provider's Interconnection Facilities Construction. Transmission Provider's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Transmission Provider shall deliver to Interconnection Customer the following "as-built" drawings, information and documents for Transmission Provider's Interconnection Facilities {include appropriate drawings and relay diagrams}.

Transmission Provider will obtain control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities.

5.12 Access Rights. Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish at no cost to the other Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large Generating Facility with the Transmission System; (ii) operate and maintain the Large Generating Facility, the Interconnection Facilities and the Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this LGIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.

5.13 Lands of Other Property Owners. If any part of Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or Transmission Provider or Transmission Owner, Transmission Provider or Transmission Owner shall at Interconnection Customer's expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades upon such property.

5.14 Permits. Transmission Provider or Transmission Owner and Interconnection Customer shall cooperate with each other in good faith in obtaining all permits, licenses, and authorizations that are necessary to accomplish the interconnection in

compliance with Applicable Laws and Regulations. With respect to this paragraph, Transmission Provider or Transmission Owner shall provide permitting assistance to Interconnection Customer comparable to that provided to Transmission Provider's own, or an Affiliate's generation.

5.15 Early Construction of Base Case Facilities. Interconnection Customer may request Transmission Provider to construct, and Transmission Provider shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Network Upgrades required for Interconnection Customer to be interconnected to the Transmission System which are included in the Base Case of the Interconnection Facilities Study for Interconnection Customer, and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.

5.16 Suspension. Interconnection Customer reserves the right, upon written notice to Transmission Provider, to suspend at any time all work by Transmission Provider associated with the construction and installation of Transmission Provider's Interconnection Facilities and/or Network Upgrades required under this LGIA with the condition that Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Transmission Provider's safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Transmission Provider (i) has incurred pursuant to this LGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Transmission Provider cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Transmission Provider shall obtain Interconnection Customer's authorization to do so.

Transmission Provider shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by Transmission Provider required under this LGIA pursuant to this Article 5.16, and has not requested Transmission Provider to recommence the work required under this LGIA on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Transmission Provider, if no effective date is specified.

5.17 Taxes.

5.17.1 Interconnection Customer Payments Not Taxable. The Parties intend that all payments or property transfers made by Interconnection Customer to Transmission Provider for the installation of Transmission Provider's Interconnection Facilities and the Network Upgrades shall be non-taxable, either as contributions to capital, or as an advance, in accordance with the Internal Revenue Code and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the Internal Revenue Code and any applicable state income tax laws.

5.17.2 Representations and Covenants. In accordance with IRS Notice 2001-82 and IRS Notice 88-129, Interconnection Customer represents and covenants that (i) ownership of the electricity generated at the Large Generating Facility will pass to another party prior to the transmission of the electricity on the Transmission System, (ii) for income tax purposes, the amount of any payments and the cost of any property transferred to Transmission Provider for Transmission Provider's Interconnection Facilities will be capitalized by Interconnection Customer as an intangible asset and

recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of Transmission Provider's Interconnection Facilities that is a "dual-use intertie," within the meaning of IRS Notice 88-129, is reasonably expected to carry only a de minimis amount of electricity in the direction of the Large Generating Facility. For this purpose, "de minimis amount" means no more than 5 percent of the total power flows in both directions, calculated in accordance with the "5 percent test" set forth in IRS Notice 88-129. This is not intended to be an exclusive list of the relevant conditions that must be met to conform to IRS requirements for non-taxable treatment.

At Transmission Provider's request, Interconnection Customer shall provide Transmission Provider with a report from an independent engineer confirming its representation in clause (iii), above. Transmission Provider represents and covenants that the cost of Transmission Provider's Interconnection Facilities paid for by Interconnection Customer will have no net effect on the base upon which rates are determined.

5.17.3 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon Transmission Provider.
Notwithstanding Article 5.17.1, Interconnection Customer shall protect, indemnify and hold harmless Transmission Provider from the cost consequences of any current tax liability imposed against Transmission Provider as the result of payments or property transfers made by Interconnection Customer to Transmission Provider under this LGIA for Interconnection Facilities, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Transmission Provider.

Transmission Provider shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection Customer under this LGIA unless (i) Transmission Provider has determined, in good faith, that the payments or property

transfers made by Interconnection Customer to Transmission Provider should be reported as income subject to taxation or (ii) any Governmental Authority directs Transmission Provider to report payments or property as income subject to taxation; provided, however, that Transmission Provider may require Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to Transmission Provider (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 5.17. Interconnection Customer shall reimburse Transmission Provider for such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within thirty (30) Calendar Days of receiving written notification from Transmission Provider of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten year testing period and the applicable statute of limitation, as it may be extended by Transmission Provider upon request of the IRS, to keep these years open for audit or adjustment,

or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 5.17.

5.17.4 **Tax Gross-Up Amount.** Interconnection Customer's liability for the cost consequences of any current tax liability under this Article

5.17 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that Interconnection Customer will pay Transmission Provider, in addition to the amount paid for the Interconnection Facilities and Network Upgrades, an amount equal to (1) the current taxes imposed on Transmission Provider ("Current Taxes") on the excess of (a) the gross income realized by Transmission Provider as a result of payments or property transfers made by Interconnection Customer to Transmission Provider under this LGIA (without regard to any payments under this Article 5.17) (the "Gross Income Amount")

over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the "Present Value Depreciation Amount"), plus (2) an additional amount sufficient to permit Transmission Provider to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1).

For this purpose, (i) Current Taxes shall be computed based on Transmission Provider's composite federal and state tax rates at the time the payments or property transfers are received and Transmission Provider will be treated as being subject to tax at the highest marginal rates in effect at that time (the "Current Tax Rate"), and (ii) the Present Value Depreciation Amount shall be computed by discounting Transmission Provider's anticipated tax depreciation deductions as a result of such payments or property transfers by Transmission Provider's current weighted average cost of capital. Thus, the formula for calculating Interconnection Customer's liability to Transmission Owner pursuant to this Article 5.17.4 can be expressed as follows: (Current Tax Rate x (Gross Income Amount – Present Value of Tax Depreciation))/(1-Current Tax Rate). Interconnection Customer's estimated tax liability in the event taxes are imposed shall be stated in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.17.5 Private Letter Ruling or Change or Clarification of Law. At Interconnection Customer's request and expense, Transmission Provider shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Interconnection Customer to Transmission Provider under this LGIA are subject to federal income taxation. Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Interconnection Customer's knowledge. Transmission Provider and Interconnection

Customer shall cooperate in good faith with respect to the submission of such request.

Transmission Provider shall keep Interconnection Customer fully informed of the status of such request for a private letter ruling and shall execute either a privacy act waiver or a limited power of attorney, in a form acceptable to the IRS, that authorizes Interconnection Customer to participate in all discussions with the IRS regarding such request for a private letter ruling. Transmission Provider shall allow Interconnection Customer to attend all meetings with IRS officials about the request and shall permit Interconnection Customer to prepare the initial drafts of any follow-up letters in connection with the request.

5.17.6 **Subsequent Taxable Events.** If, within 10 years from the date on which the relevant Transmission Provider's Interconnection Facilities are placed in service, (i) Interconnection Customer Breaches the covenants contained in Article 5.17.2, (ii) a "disqualification event" occurs within the meaning of IRS Notice 88-129, or (iii) this LGIA terminates and Transmission Provider retains ownership of the Interconnection Facilities and Network Upgrades, Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on Transmission Provider, calculated using the methodology described in Article 5.17.4 and in accordance with IRS Notice 90-60.

5.17.7 **Contests.** In the event any Governmental Authority determines that Transmission Provider's receipt of payments or property constitutes income that is subject to taxation, Transmission Provider shall notify Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by Interconnection Customer and at Interconnection Customer's sole expense, Transmission Provider may appeal, protest, seek abatement

of, or otherwise oppose such determination. Upon Interconnection Customer's written request and sole expense, Transmission Provider may file a claim for refund with respect to any taxes paid under this

Article 5.17, whether or not it has received such a determination. Transmission Provider reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but Transmission Provider shall keep Interconnection Customer informed, shall consider in good faith suggestions from Interconnection Customer about the conduct of the contest, and shall reasonably permit Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement or other contest. At any time during the contest, Transmission Provider may agree to a settlement either with Interconnection Customer's consent or after obtaining written advice from nationally-recognized tax counsel, selected by Transmission Provider, but reasonably acceptable to Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation. Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully grossed-up basis to cover any related cost consequences of the current tax liability. Any settlement without Interconnection Customer's consent or such written advice will relieve Interconnection Customer from any obligation to indemnify Transmission Provider for the tax at issue in the contest.

5.17.8 **Refund.** In the event that (a) a private letter ruling is issued to Transmission Provider which holds that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Provider under the terms of this LGIA is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Transmission Provider in good faith that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Provider under the terms of this LGIA is not taxable to Transmission Provider, (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by Interconnection Customer to Transmission Provider are not subject to federal income tax, or (d) if Transmission Provider receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by Interconnection Customer to Transmission Provider pursuant to this LGIA, Transmission Provider shall promptly refund to Interconnection Customer the following:

(i) any payment made by Interconnection Customer under this Article 5.17 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon,

(ii) interest on any amounts paid by Interconnection Customer to Transmission Provider for such taxes which Transmission Provider did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC's regulations at 18 CFR §35.19a(a)(2)(iii) from the date payment was made by Interconnection Customer to the date Transmission Provider refunds such payment to Interconnection Customer, and

(iii) with respect to any such taxes paid by Transmission Provider, any refund or credit Transmission Provider receives

or to which it may be entitled from any Governmental Authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to Transmission Provider for such overpayment of taxes (including any reduction in interest otherwise payable by Transmission Provider to any Governmental Authority resulting from an offset or credit); provided, however, that Transmission Provider will remit such amount promptly to Interconnection Customer only after and to the extent that Transmission Provider has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to Transmission Provider's Interconnection Facilities.

The intent of this provision is to leave the Parties, to the extent practicable, in the event that no taxes are due with respect to any payment for Interconnection Facilities and Network Upgrades hereunder, in the same position they would have been in had no such tax payments been made.

5.17.9 **Taxes Other Than Income Taxes.** Upon the timely request by Interconnection Customer, and at Interconnection Customer's sole expense, Transmission Provider may appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Transmission Provider for which Interconnection Customer may be required to reimburse Transmission Provider under the terms of this LGIA. Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Interconnection Customer and Transmission Provider shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Interconnection Customer to Transmission Provider for such taxes until they are assessed by a final, non-appealable order by

any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal,

Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Transmission Provider.

5.17.10 Transmission Owners Who Are Not Transmission Providers. If Transmission Provider is not the same entity as the Transmission Owner, then (i) all references in this Article 5.17 to Transmission Provider shall be deemed also to refer to and to include the Transmission Owner, as appropriate, and (ii) this LGIA shall not become effective until such Transmission Owner shall have agreed in writing to assume all of the duties and obligations of Transmission Provider under this Article 5.17 of this LGIA.

5.18 Tax Status. Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this LGIA is intended to adversely affect any Transmission Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds.

5.19 Modification.

5.19.1 General. Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide to the other Party sufficient information regarding such modification so that the other Party may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Large Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period

upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

In the case of Large Generating Facility modifications that do not require Interconnection Customer to submit an Interconnection Request, Transmission Provider shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the Transmission System, Transmission Provider's Interconnection Facilities or Network Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

5.19.2 **Standards.** Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this LGIA and Good Utility Practice.

5.19.3 **Modification Costs.** Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that Transmission Provider makes to Transmission Provider's Interconnection Facilities or the Transmission System to facilitate the interconnection of a third party to Transmission Provider's Interconnection Facilities or the Transmission System, or to provide transmission service to a third party under Transmission Provider's Tariff. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to Interconnection Customer's Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer's Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

Article 6. Testing and Inspection

6.1 Pre-Commercial Operation Date Testing and Modifications. Prior to the Commercial Operation Date, Transmission Provider shall test Transmission Provider's Interconnection Facilities and Network Upgrades and Interconnection Customer shall test the Large Generating Facility and Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection Customer shall generate test energy at the Large Generating Facility only if it has arranged for the delivery of such test energy.

6.2 Post-Commercial Operation Date Testing and Modifications. Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Large Generating Facility with the Transmission System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.

6.3 Right to Observe Testing. Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.

6.4 Right to Inspect. Each Party shall have the right, but shall have no obligation to:

(i) observe the other Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; (ii) review the settings of the other Party's System Protection Facilities and other protective equipment; and (iii) review the other Party's maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-

exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be deemed to be Confidential Information and treated pursuant to Article 22 of this LGIA.

Article 7. Metering

7.1 General. Each Party shall comply with the Electric Reliability Organization requirements. Unless otherwise agreed by the Parties, Transmission Provider shall install Metering Equipment at the Point of Interconnection prior to any operation of the Large Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Large Generating Facility shall be measured at or, at Transmission Provider's option, compensated to, the Point of Interconnection. Transmission Provider shall provide metering quantities, in analog and/or digital form, to Interconnection Customer upon request. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.

7.2 Check Meters. Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check Transmission Provider's meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this LGIA, except as provided in Article 7.4 below. The check meters shall be subject at all reasonable times to inspection and examination by Transmission Provider or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.

7.3 Standards. Transmission Provider shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards.

7.4 Testing of Metering Equipment. Transmission Provider shall inspect and test all Transmission Provider-owned Metering Equipment upon installation and at least once every two (2) years thereafter. If requested to do so by Interconnection Customer, Transmission Provider shall, at Interconnection Customer's expense, inspect or test Metering Equipment more frequently than every two (2) years. Transmission Provider shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer's expense, in order to provide accurate metering, unless the inaccuracy or defect is due to Transmission Provider's failure to maintain, then Transmission Provider shall pay. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than two percent from the measurement made by the standard meter used in the test, Transmission Provider shall adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using Interconnection Customer's check meters, if installed. If no such check meters are installed or if the period cannot be reasonably ascertained, the adjustment shall be for the period immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last previous test of the Metering Equipment.

7.5 Metering Data. At Interconnection Customer's expense, the metered data shall be telemetered to one or more locations designated by Transmission Provider and one or more locations designated by Interconnection Customer. Such telemetered data shall be used, under normal operating conditions, as the official measurement of the amount of energy delivered from the Large Generating Facility to the Point of Interconnection.

Article 8. Communications

8.1 Interconnection Customer Obligations. Interconnection Customer shall maintain satisfactory operating communications with Transmission Provider's

Transmission System dispatcher or representative designated by Transmission Provider. Interconnection Customer shall provide standard voice line, dedicated voice line and facsimile communications at its Large Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to Transmission Provider as set forth in Appendix D, Security Arrangements Details. The data circuit(s) shall extend from the Large Generating Facility to the location(s) specified by Transmission Provider. Any required maintenance of such communications equipment shall be performed by Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.

8.2 Remote Terminal Unit. Prior to the Initial Synchronization Date of the Large Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by Transmission Provider at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Transmission Provider through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The communication protocol for the data circuit(s) shall be specified by Transmission Provider. Instantaneous bi-directional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by Transmission Provider.

Each Party will promptly advise the other Party if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.

8.3 No Annexation. Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the

mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.

8.4 Provision of Data from a Variable Energy Resource. Interconnection Customer whose Generating Facility contains at least one Variable Energy Resource shall provide meteorological and forced outage data to Transmission Provider to the extent necessary for Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. Interconnection Customer with a Variable Energy Resource having wind as the energy source, at a minimum, will be required to provide Transmission Provider with site-specific meteorological data including: temperature, wind speed, wind direction, and atmospheric pressure. Interconnection Customer with a Variable Energy Resource having solar as the energy source, at a minimum, will be required to provide Transmission Provider with site-specific meteorological data including: temperature, atmospheric pressure, and irradiance. Transmission Provider and Interconnection Customer whose Generating Facility contains a Variable Energy Resource shall mutually agree to any additional meteorological data that are required for the development and deployment of a power production forecast. Interconnection Customer whose Generating Facility contains a Variable Energy Resource also shall submit data to Transmission Provider regarding all forced outages to the extent necessary for Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The exact specifications of the meteorological and forced outage data to be provided by Interconnection Customer to Transmission Provider, including the frequency and timing of data submittals, shall be made taking into account the size and configuration of the Variable Energy Resource, its characteristics, location, and its importance in maintaining generation resource adequacy and transmission system reliability in its area. All requirements for meteorological and forced outage data must be commensurate with the power production forecasting employed by Transmission Provider. Such requirements for meteorological and forced outage data are set forth in Appendix C, Interconnection Details, of this LGIA, as they may change from time to time.

Article 9. Operations

9.1 General. Each Party shall comply with the Electric Reliability Organization requirements. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

9.2 Balancing Authority Area Notification. At least three months before Initial Synchronization Date, Interconnection Customer shall notify Transmission Provider in writing of the Balancing Authority Area in which the Large Generating Facility will be located. If Interconnection Customer elects to locate the Large Generating Facility in a Balancing Authority Area other than the Balancing Authority Area in which the Large Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this LGIA, and remote Balancing Authority Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the other Balancing Authority Area.

9.3 Transmission Provider Obligations. Transmission Provider shall cause the Transmission System and Transmission Provider's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA. Transmission Provider may provide operating instructions to Interconnection Customer consistent with this LGIA and Transmission Provider's operating protocols and procedures as they may change from time to time. Transmission Provider will consider changes to its operating protocols and procedures proposed by Interconnection Customer.

9.4 Interconnection Customer Obligations. Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA. Interconnection Customer shall

operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Balancing Authority Area of which it is part, as such requirements are set forth in Appendix C, Interconnection Details, of this LGIA. Appendix C, Interconnection Details, will be modified to reflect changes to the requirements as they may change from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this LGIA.

9.5 Start-Up and Synchronization. Consistent with the Parties' mutually acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Large Generating Facility to Transmission Provider's Transmission System.

9.6 Reactive Power and Primary Frequency Response.

9.6.1 Power Factor Design Criteria.

9.6.1.1 Synchronous Generation. Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless Transmission Provider has established different requirements that apply to all synchronous generators in the Balancing Authority Area on a comparable basis.

9.6.1.2 Non-Synchronous Generation. Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation at a power factor

within the range of 0.95 leading to 0.95 lagging, unless Transmission Provider has established a different power factor range that applies to all non-synchronous generators in the Balancing Authority Area on a comparable basis. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors, or a combination of the two.

This requirement shall only apply to newly interconnecting non-synchronous generators that have not yet executed a Facilities Study Agreement as of the effective date of the Final Rule establishing this requirement (Order No. 827).

9.6.2 Voltage Schedules. Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Transmission Provider shall require Interconnection Customer to operate the Large Generating Facility to produce or absorb reactive power within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). Transmission Provider's voltage schedules shall treat all sources of reactive power in the Balancing Authority Area in an equitable and not unduly discriminatory manner. Transmission Provider shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one (1) day in advance, and may make changes to such schedules as necessary to maintain the reliability of the Transmission System. Interconnection Customer shall operate the Large Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the System Operator.

9.6.2.1 Voltage Regulators. Whenever the Large Generating Facility is operated in parallel with the Transmission System and voltage regulators are capable of operation,

Interconnection Customer shall operate the Large Generating Facility with its voltage regulators in automatic operation. If the Large Generating Facility's voltage regulators are not capable of such automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative, and ensure that such Large Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Large Generating Facility's generating unit(s) and steady state stability limits.

Interconnection Customer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the Transmission System or trip any generating unit comprising the Large Generating Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators in the Balancing Authority Area on a comparable basis.

9.6.3 Payment for Reactive Power. Transmission Provider is required to pay Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Large Generating Facility when Transmission Provider requests Interconnection Customer to operate its Large Generating Facility outside the range specified in Article 9.6.1. Payments shall be pursuant to Article 11.6 or such other agreement to which the Parties have otherwise agreed.

9.6.4 Primary Frequency Response. Interconnection Customer shall ensure the primary frequency response capability of its Large Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term "functioning governor or equivalent controls" as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Large Generating Facility's

real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations.

Interconnection Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop and ±0.036 Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from an approved Electric Reliability Organization reliability standard providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Large Generating Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based an approved Electric Reliability Organization reliability standard providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Large Generating Facility's real power output in response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected change in the Large Generating Facility's real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with an approved Electric Reliability Organization reliability standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify Transmission Provider that the primary frequency response capability of the Large Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Interconnection Customer shall operate the Large Generating Facility consistent with the provisions specified in Articles 9.6.4.1 and 9.6.4.2 of this Agreement. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Large Generating Facilities.

9.6.4.1 **Governor or Equivalent Controls.** Whenever the Large Generating Facility is operated in parallel with the

Transmission System, Interconnection Customer shall operate the Large Generating Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall: (1) in coordination with Transmission Provider and/or the relevant balancing authority, set the deadband parameter to: (1) a maximum of ±0.036 Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop and deadband settings from an approved Electric Reliability Organization reliability standard that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to Transmission Provider and/or the relevant balancing authority upon request. If Interconnection Customer needs to operate the Large Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify Transmission Provider and the relevant balancing authority, and provide both with the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to keep outages of the Large Generating Facility's governor or equivalent controls to a minimum whenever the Large Generating Facility is operated in parallel with the Transmission System.

9.6.4.2 **Timely and Sustained Response.** Interconnection Customer shall ensure that the Large Generating Facility's real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband,

and to the extent the Large Generating Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Large Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. A Commission-approved reliability standard with equivalent or more stringent requirements shall supersede the above requirements.

9.6.4.3 **Exemptions.** Large Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Articles 9.6.4, 9.6.4.1, and 9.6.4.2 of this Agreement. Large Generating Facilities that are behind the meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in Article 9.6.4, but shall be otherwise exempt from the operating requirements in Articles 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.4 of this Agreement.

9.6.4.4 **Electric Storage Resources.** Interconnection Customer interconnecting a Generating Facility that contains an electric storage resource shall establish an operating range in Appendix C of its LGIA that specifies a minimum state of

charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Articles 9.6.4, 9.6.4.1, 9.6.4.2 and 9.6.4.3 of this Agreement. Appendix C shall specify whether the operating range is static or dynamic, and shall consider (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by Transmission Provider and Interconnection Customer, and in consultation with the relevant transmission owner or balancing authority as appropriate. If the operating range is dynamic, then Appendix C must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with Article 9.6.4.2 of this Agreement when it is online and dispatched to inject electricity to the Transmission System and/or receive electricity from the Transmission System. This excludes circumstances when the electric storage resource is not dispatched to inject electricity to the Transmission System and/or dispatched to receive electricity from the Transmission System. If Interconnection

Customer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Interconnection Customer's electric storage resource is not required to change

from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

9.7 Outages and Interruptions.

9.7.1 Outages.

9.7.1.1 Outage Authority and Coordination. Each Party may in accordance with Good Utility Practice in coordination with the other Party remove from service any of its respective Interconnection Facilities or Network Upgrades that may impact the other Party's facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service will use Reasonable Efforts to schedule such removal on a date and time mutually acceptable to the Parties. In all circumstances, any Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Party of such removal.

9.7.1.2 Outage Schedules. Transmission Provider shall post scheduled outages of its transmission facilities on the OASIS. Interconnection Customer shall submit its planned maintenance schedules for the Large Generating Facility to Transmission Provider for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its planned maintenance schedules as necessary. Transmission Provider may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the Transmission System; provided, however, adequacy of

generation supply shall not be a criterion in determining Transmission System reliability. Transmission Provider shall compensate Interconnection Customer for any additional direct costs that Interconnection Customer incurs as a result of having to reschedule maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent Transmission Provider's request to reschedule maintenance. Interconnection Customer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, Interconnection Customer had modified its schedule of maintenance activities.

9.7.1.3 Outage Restoration. If an outage on a Party's Interconnection Facilities or Network Upgrades adversely affects the other Party's operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, to the extent such information is known, information on the nature of the Emergency Condition, an estimated time of restoration, and any corrective actions required. Initial verbal notice shall be followed up as soon as practicable with written notice explaining the nature of the outage.

9.7.2 Interruption of Service. If required by Good Utility Practice to do so, Transmission Provider may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect Transmission Provider's ability to perform such activities as are necessary to safely and reliably operate and maintain the Transmission System. The following provisions shall apply to any interruption or reduction permitted under this Article 9.7.2:

9.7.2.1 The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice;

9.7.2.2 Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all generating facilities directly connected to the Transmission System;

9.7.2.3 When the interruption or reduction must be made under circumstances which do not allow for advance notice, Transmission Provider shall notify Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written notification as soon as practicable;

9.7.2.4 Except during the existence of an Emergency Condition, when the interruption or reduction can be scheduled without advance notice, Transmission Provider shall notify Interconnection Customer in advance regarding the timing of such scheduling and further notify Interconnection Customer of the expected duration. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to Interconnection Customer and Transmission Provider;

9.7.2.5 The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Large Generating Facility, Interconnection Facilities, and the Transmission

System to their normal operating state, consistent with system conditions and Good Utility Practice.

9.7.3 Ride Through Capability and Performance. The Transmission System is designed to automatically activate a load-shed program as required by the Electric Reliability Organization in the event of an under-frequency system disturbance. Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Large Generating Facility as required by the Electric Reliability Organization to ensure frequency "ride through" capability of the Transmission System. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both

under-frequency and over-frequency deviations, shall be studied and coordinated with Transmission Provider in accordance with Good Utility Practice. Interconnection Customer shall also implement under-voltage and over-voltage relay set points, or equivalent electronic controls, as required by the Electric Reliability Organization to ensure voltage "ride through" capability of the Transmission System. The term "ride through" as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the Transmission System during system disturbances within a range of under-frequency, over-frequency, under-voltage, and over-voltage conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other Generating Facilities in the Balancing Authority Area on a comparable basis. For abnormal frequency conditions and voltage conditions within the "no trip zone" defined by Reliability Standard PRC-024-3 or successor mandatory ride through reliability standards, the non-synchronous Large Generating Facility must ensure that, within any physical limitations of the Large Generating Facility, its control and protection settings are configured or set to (1) continue active power production during disturbance and post disturbance periods at pre-disturbance levels, unless reactive power priority mode is enabled or unless providing primary frequency response or fast frequency response; (2) minimize reductions in active power and remain within dynamic voltage and current limits, if reactive power priority mode is enabled, unless providing primary frequency response or fast frequency response; (3) not artificially limit dynamic reactive power capability during disturbances; and

(4) return to pre-disturbance active power levels without artificial ramp rate limits if active power is reduced, unless providing primary frequency response or fast frequency response.

9.7.4 System Protection and Other Control Requirements.

9.7.4.1 **System Protection Facilities.** Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider shall install at Interconnection Customer's expense any System Protection Facilities that may be required on Transmission Provider's Interconnection Facilities or the Transmission System as a result of the interconnection of the Large Generating Facility and Interconnection Customer's Interconnection Facilities.

9.7.4.2 Each Party's protection facilities shall be designed and coordinated with other systems in accordance with Good Utility Practice.

9.7.4.3 Each Party shall be responsible for protection of its facilities consistent with Good Utility Practice.

9.7.4.4 Each Party's protective relay design shall incorporate the necessary test switches to perform the tests required in Article 6. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of Interconnection

Customer's units.

9.7.4.5 Each Party will test, operate and maintain System Protection Facilities in accordance with Good Utility Practice.

9.7.4.6 Prior to the In-Service Date, and again prior to the Commercial Operation Date, each Party or its agent shall perform a complete calibration test and functional trip test of the System Protection Facilities. At intervals suggested by Good Utility Practice and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its System Protection Facilities. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

9.7.5 Requirements for Protection. In compliance with Good Utility Practice, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the Transmission System not otherwise isolated by Transmission Provider's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Transmission System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Large Generating Facility and the Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Large Generating Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and Interconnection Customer's other equipment

if conditions on the Transmission System could adversely affect the Large Generating Facility.

9.7.6 Power Quality. Neither Party's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard. In the event of a conflict between ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, ANSI Standard C84.1-1989, or the applicable superseding electric industry standard, shall control.

9.8 Switching and Tagging Rules. Each Party shall provide the other Party a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

9.9 Use of Interconnection Facilities by Third Parties.

9.9.1 Purpose of Interconnection Facilities. Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Large Generating Facility to the Transmission System and shall be used for no other purpose.

9.9.2 Third Party Users. If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use Transmission Provider's Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party

users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to FERC for resolution.

9.10 Disturbance Analysis Data Exchange. The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or Transmission Provider's Transmission System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.

Article 10. Maintenance

10.1 Transmission Provider Obligations. Transmission Provider shall maintain the Transmission System and Transmission Provider's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.2 Interconnection Customer Obligations. Interconnection Customer shall maintain the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.3 Coordination. The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Large Generating Facility and the Interconnection Facilities.

10.4 Secondary Systems. Each Party shall cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

10.5 Operating and Maintenance Expenses. Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of Transmission Provider's Interconnection Facilities.

Article 11. Performance Obligation

11.1 Interconnection Customer Interconnection Facilities. Interconnection Customer shall design, procure, construct, install, own and/or control Interconnection Customer Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at its sole expense.

11.2 Transmission Provider's Interconnection Facilities. Transmission Provider or Transmission Owner shall design, procure, construct, install, own and/or control

Transmission Provider's Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at the sole expense of Interconnection Customer.

11.3 Network Upgrades and Distribution Upgrades. Transmission Provider or Transmission Owner shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades. Interconnection Customer shall be responsible for all costs related to Distribution Upgrades. Unless Transmission Provider or Transmission Owner elects to fund the capital for the Network Upgrades, they shall be solely funded by Interconnection Customer.

11.4 Transmission Credits.

11.4.1 Repayment of Amounts Advanced for Network Upgrades. Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to Transmission Provider and Affected System Operator, if any, for the Network Upgrades, including any tax gross-up or other tax-related payments associated with Network Upgrades, and not refunded to Interconnection Customer pursuant to Article 5.17.8 or otherwise, to be paid to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under Transmission Provider's Tariff and Affected System's Tariff for transmission services with respect to the Large Generating Facility. Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. Interconnection Customer may assign such repayment rights to any person.

Notwithstanding the foregoing, Interconnection Customer, Transmission Provider, and Affected System Operator may adopt any alternative payment schedule that is mutually agreeable so long as Transmission Provider and Affected System Operator take one of the following actions no later than five years from the Commercial Operation Date: (1) return to Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that Transmission Provider or Affected System Operator will continue to provide payments to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the Commercial Operation Date.

If the Large Generating Facility fails to achieve commercial operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, Transmission Provider and Affected System Operator shall at that time reimburse Interconnection Customer for the amounts advanced for the Network Upgrades. Before any such reimbursement can occur, Interconnection Customer, or the entity that ultimately constructs the Generating Facility, if different, is responsible for identifying the entity to which reimbursement must be made.

11.4.2 **Special Provisions for Affected Systems.** Unless Transmission Provider provides, under the LGIA, for the repayment of amounts advanced to Affected System Operator for Network Upgrades, Interconnection Customer and Affected System Operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by Interconnection Customer to the Affected System Operator as well as the repayment by the Affected System Operator.

11.4.3 Notwithstanding any other provision of this LGIA, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that Interconnection Customer, shall be entitled to, now or in the future under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Large Generating Facility.

11.5 Provision of Security. At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, Interconnection Customer shall provide Transmission Provider, at Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Transmission Provider and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1. Such security for payment, as

specified in Appendix B of this LGIA, shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to Transmission Provider for these purposes. Transmission Provider must use the LGIA Deposit required in Section 11.3 of the LGIP before requiring Interconnection Customer to submit security in addition to that LGIA Deposit. Transmission Provider must specify, in Appendix B of this LGIA, the dates for which Interconnection Customer must provide additional security for construction of each discrete portion of Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and Interconnection Customer must provide such additional security.

In addition:

11.5.1 The guarantee must be made by an entity that meets the creditworthiness requirements of Transmission Provider, and contain terms and conditions that guarantee payment of any amount that may be due from Interconnection Customer, up to an agreed-to maximum amount.

11.5.2 The letter of credit must be issued by a financial institution reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

11.5.3 The surety bond must be issued by an insurer reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

11.6 Interconnection Customer Compensation. If Transmission Provider requests or directs Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for Reactive Power), or 13.5.1 of this LGIA, Transmission Provider shall compensate Interconnection Customer in accordance with Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to an RTO or ISO FERC-approved rate schedule. Interconnection Customer shall serve Transmission Provider or RTO or ISO with any filing of a proposed rate schedule at the time of such filing with FERC. To the extent that no rate schedule is in effect at the time Interconnection Customer is required to provide or absorb any Reactive Power under this LGIA, Transmission Provider agrees to compensate Interconnection Customer in such amount as would have been due Interconnection Customer had the rate schedule been in effect at the time service commenced; provided, however, that such rate schedule must be filed at FERC or other appropriate Governmental Authority within sixty (60) Calendar Days of the commencement of service.

11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition. Transmission Provider or RTO or ISO shall compensate Interconnection Customer for its provision of real and reactive power and other Emergency Condition services that Interconnection Customer provides to support the Transmission System during an Emergency Condition in accordance with Article 11.6.

Article 12. Invoice

12.1 General. Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this LGIA, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

12.2 Final Invoice. Within six months after completion of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades, Transmission Provider shall provide an invoice of the final cost of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Transmission Provider shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

12.3 Payment. Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within thirty

(30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and

account designated by the invoicing Party. Payment of invoices by either Party will not constitute a waiver of any rights or claims either Party may have under this LGIA.

12.4 Disputes. In the event of a billing dispute between Transmission Provider and Interconnection Customer, Transmission Provider shall continue to provide Interconnection Service under this LGIA as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Transmission Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then Transmission Provider may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accord with the methodology set forth in FERC's regulations at 18 CFR § 35.19a(a)(2)(iii).

Article 13. Emergencies

13.1 Definition. "Emergency Condition" shall mean a condition or situation: (i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (ii) that, in the case of Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (iii) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to**,** the Large Generating Facility or Interconnection Customer's Interconnection Facilities' System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by this LGIA to possess black start capability.

13.2 Obligations. Each Party shall comply with the Emergency Condition procedures of the applicable ISO/RTO, the Electric Reliability Organization, Applicable Laws and Regulations, and any emergency procedures agreed to by the Joint Operating Committee.

13.3 Notice. Transmission Provider shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects Transmission Provider's Interconnection Facilities or the Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Transmission Provider promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the Transmission System or Transmission Provider's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer's or Transmission Provider's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.

13.4 Immediate Action. Unless, in Interconnection Customer's reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Transmission Provider, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Large Generating Facility or Interconnection Customer's Interconnection Facilities in response to an Emergency Condition either declared by Transmission Provider or otherwise regarding the Transmission System.

13.5 Transmission Provider Authority.

13.5.1 General. Transmission Provider may take whatever actions or inactions with regard to the Transmission System or Transmission Provider's Interconnection Facilities it deems necessary during an Emergency Condition in order to (i) preserve public health and

safety, (ii) preserve the reliability of the Transmission System or Transmission Provider's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

Transmission Provider shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider may, on the basis of technical considerations, require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing Interconnection Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of Transmission Provider's operating instructions concerning Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

13.5.2 **Reduction and Disconnection.** Transmission Provider may reduce Interconnection Service or disconnect the Large Generating Facility or Interconnection Customer's Interconnection Facilities, when such, reduction or disconnection is necessary under Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from any right of curtailment of Transmission Provider pursuant to

Transmission Provider's Tariff. When Transmission Provider can schedule the reduction or disconnection in advance, Transmission Provider shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and Transmission Provider. Any reduction or disconnection shall continue only for so long as reasonably necessary under Good Utility Practice. The Parties shall cooperate with each other to restore the Large Generating Facility, the Interconnection Facilities, and the Transmission System to their normal operating state as soon as practicable consistent with Good Utility Practice.

13.6 Interconnection Customer Authority. Consistent with Good Utility Practice and the LGIA and the LGIP, Interconnection Customer may take actions or inactions with regard to the Large Generating Facility or Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Large Generating Facility or Interconnection Customer's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Transmission System and Transmission Provider's Interconnection Facilities. Transmission Provider shall use Reasonable Efforts to assist Interconnection Customer in such actions.

13.7 Limited Liability. Except as otherwise provided in Article 11.6.1 of this LGIA, neither Party shall be liable to the other for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.

Article 14. Regulatory Requirements and Governing Law

14.1 Regulatory Requirements. Each Party's obligations under this LGIA shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this LGIA shall require Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act, the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978.

14.2 Governing Law.

14.2.1 The validity, interpretation and performance of this LGIA and each of its provisions shall be governed by the laws of the state where the Point of Interconnection is located, without regard to its conflicts of law principles.

14.2.2 This LGIA is subject to all Applicable Laws and Regulations.

14.2.3 Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

Article 15. Notices.

15.1 General. Unless otherwise provided in this LGIA, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.

Either Party may change the notice information in this LGIA by giving five (5) Business Days written notice prior to the effective date of the change.

15.2 Billings and Payments. Billings and payments shall be sent to the addresses set out in Appendix F.

15.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F.

15.4 Operations and Maintenance Notice. Each Party shall notify the other Party in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10.

Article 16. Force Majeure

16.1 Force Majeure.

16.1.1 Economic hardship is not considered a Force Majeure event.

16.1.2 Neither Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

Article 17. Default

17.1 Default

17.1.1 **General**. No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this LGIA or the result of an act or omission of the other Party. Upon a Breach, the non-breaching Party shall give written notice of such Breach to the breaching Party. Except as provided in Article 17.1.2, the breaching Party shall have thirty (30) Calendar Days from receipt of the Default notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety

(90) Calendar Days from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

17.1.2 Right to Terminate. If a Breach is not cured as provided in this article, or if a Breach is not capable of being cured within the period provided for herein, the non-breaching Party shall have the right to declare a Default and terminate this LGIA by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this LGIA, to recover from the breaching 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 article will survive termination of this LGIA.

17.2 Violation of Operating Assumptions for Generating Facilities. If Transmission Provider requires Interconnection Customer to memorialize the operating assumptions for the charging behavior of a Generating Facility that includes at least one electric storage resource in Appendix H of this LGIA, Transmission Provider may consider Interconnection Customer to be in Breach of the LGIA if Interconnection Customer fails to operate the Generating Facility in accordance with those operating assumptions for charging behavior. However, if Interconnection Customer operates contrary to the operating assumptions for charging behavior specified in Appendix H of this LGIA at the direction of Transmission Provider, Transmission Provider shall not consider Interconnection Customer in Breach of this LGIA.

Article 18. Indemnity, Consequential Damages and Insurance

18.1 Indemnity. The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under this LGIA on behalf of the

Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

18.1.1 **Indemnified Person.** If an Indemnified Person is entitled to indemnification under this Article 18 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 18.1, to assume the defense of such claim, such Indemnified Person may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

18.1.2 **Indemnifying Party.** If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Article 18, the amount owing to the Indemnified Person shall be the amount of such Indemnified Person's actual Loss, net of any insurance or other recovery.

18.1.3 **Indemnity Procedures.** Promptly after receipt by an Indemnified Person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Article 18.1 may apply, the Indemnified Person shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.

The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Person. If the defendants in any such action include one or more Indemnified Persons and the Indemnifying Party and if the Indemnified Person reasonably concludes that there may be legal defenses available to it and/or

other Indemnified Persons which are different from or additional to those available to the Indemnifying Party, the Indemnified Person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Person or Indemnified Persons having such differing or additional legal defenses.

The Indemnified Person shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Person and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Person, or there exists a conflict or adversity of interest between the Indemnified Person and the Indemnifying Party, in such event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Person, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Person, which shall not be reasonably withheld, conditioned or delayed.

18.2 Consequential Damages. Other than the Liquidated Damages heretofore described, in no event shall either Party be liable under any provision of this LGIA 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.

18.3 Insurance. Each party shall, at its own expense, maintain in force throughout the period of this LGIA, and until released by the other Party, the following minimum insurance coverages, with insurers authorized to do business in the state where the Point of Interconnection is located:

18.3.1 Employers' Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the state in which the Point of Interconnection is located.

18.3.2 Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of One Million Dollars ($1,000,000) per occurrence/One Million Dollars ($1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.

18.3.3 Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars ($1,000,000) per occurrence for bodily injury, including death, and property damage.

18.3.4 Excess Public Liability Insurance over and above the Employers' Liability Commercial General Liability and Comprehensive Automobile Liability Insurance coverage, with a minimum

combined single limit of Twenty Million Dollars ($20,000,000) per occurrence/Twenty Million Dollars ($20,000,000) aggregate.

18.3.5 The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Public Liability Insurance policies shall name the other Party, its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this LGIA against the Other Party Group and provide thirty (30) Calendar Days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.

18.3.6 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.

18.3.7 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this LGIA, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.

18.3.8 The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and

shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this LGIA.

18.3.9 Within ten (10) Business Days following execution of this LGIA, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) Calendar Days thereafter, each Party shall provide certification of all insurance required in this LGIA, executed by each insurer or by an authorized representative of each insurer.

18.3.10 Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Articles 18.3.2 through

18.3.8 to the extent it maintains a self-insurance program; provided that, such Party's senior secured debt is rated at investment grade or better by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.8. For any period of time that a Party's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Articles 18.3.2 through 18.3.9. In the event that a Party is permitted to self-insure pursuant to this article, it shall notify the other Party that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 18.3.9.

18.3.11 The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this LGIA.

Article 19. Assignment

19.1 Assignment. This LGIA may be assigned by either Party only with the written

consent of the other; provided that either Party may assign this LGIA without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this LGIA; and provided further that Interconnection Customer shall have the right to assign this LGIA, without the consent of Transmission Provider, for collateral security purposes to aid in providing financing for the Large Generating Facility, provided that Interconnection Customer will promptly notify Transmission Provider of any such assignment. Any financing arrangement entered into by Interconnection Customer pursuant to this article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify Transmission Provider of the date and particulars of any such exercise of assignment right(s), including providing Transmission Provider with proof that it meets the requirements of Articles 11.5 and 18.3. Any attempted assignment that violates this article is void and ineffective. Any assignment under this LGIA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

Article 20. Severability

20.1 Severability. If any provision in this LGIA is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this LGIA; provided that if Interconnection Customer (or any third party, but only if such third party is not acting at the direction of Transmission Provider) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

Article 21. Comparability

21.1 Comparability. The Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

Article 22. Confidentiality

22.1 Confidentiality. Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of this LGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Article 22 warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

22.1.1 Term. During the term of this LGIA, and for a period of three (3) years after the expiration or termination of this LGIA, except as otherwise provided in this Article 22, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

22.1.2 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the

public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this LGIA; or (6) is required, in accordance with Article 22.1.7 of the LGIA, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

22.1.3 **Release of Confidential Information.** Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this LGIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.

22.1.4 **Rights.** Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party.

The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

22.1.5 **No Warranties.** By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

22.1.6 **Standard of Care.** Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this LGIA or its regulatory requirements.

22.1.7 **Order of Disclosure.** If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

22.1.8 **Termination of Agreement.** Upon termination of this LGIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.

22.1.9 **Remedies.** The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 22, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.

22.1.10 **Disclosure to FERC, its Staff, or a State.** Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this LGIA, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR section 388.112, request that the information be treated as confidential and non-public

by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this LGIA prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

22.1.11 Subject to the exception in Article 22.1.10, any information that a Party claims is competitively sensitive, commercial or financial information under this LGIA ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIA or as a transmission service provider or a Balancing Authority Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

Article 23. Environmental Releases

23.1 Each Party shall notify the other Party, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Large Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

Article 24. Information Requirements

24.1 Information Acquisition. Transmission Provider and Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.

24.2 Information Submission by Transmission Provider. The initial information submission by Transmission Provider shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include Transmission System information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis Transmission Provider shall provide Interconnection Customer a status report on the construction and installation of Transmission Provider's Interconnection Facilities and Network Upgrades, including, but not limited to, the following information: (1) progress to

date; (2) a description of the activities since the last report (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

24.3 Updated Information Submission by Interconnection Customer. The updated information submission by Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. Interconnection Customer shall submit a completed copy of the Large Generating Facility data requirements contained in Appendix 1 to the LGIP. It shall also include any additional information provided to Transmission Provider for the Cluster Study and Facilities Study. Information in this submission shall be the most current Large Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Transmission Provider standard models. If there is no compatible model, Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If Interconnection Customer's data is materially different from what was originally provided to Transmission Provider pursuant to the Interconnection Study Agreement between Transmission Provider and Interconnection Customer, then Transmission Provider will conduct appropriate studies to determine the impact on Transmission Provider Transmission System based on the actual data submitted pursuant to this Article 24.3. Interconnection Customer shall not begin Trial Operation until such studies are completed.

24.4 Information Supplementation. Prior to the Operation Date, the Parties shall supplement their information submissions described above in this Article 24 with any and all "as-built" Large Generating Facility information or "as-tested" performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. Interconnection Customer shall conduct tests on the Large Generating Facility as required by Good Utility Practice such as an open circuit "step voltage" test on the Large Generating Facility to verify proper operation of the Large Generating Facility's automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Large Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Large Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Interconnection Customer shall provide validated test recordings showing the responses of Large Generating Facility terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Large Generating Facility's terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Large Generating Facility terminal or field voltages is provided. Large Generating Facility testing shall be conducted and results provided to Transmission Provider for each individual generating unit in a station.

Subsequent to the Operation Date, Interconnection Customer shall provide Transmission Provider any information changes due to equipment replacement, repair, or adjustment. Transmission Provider shall provide Interconnection Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Transmission Provider-owned substation that may affect Interconnection Customer's Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information no later than thirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment.

Article 25. Information Access and Audit Rights

25.1 Information Access. Each Party (the "disclosing Party") shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this LGIA; and

(ii) carry out its obligations and responsibilities under this LGIA. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this LGIA.

25.2 Reporting of Non-Force Majeure Events. Each Party (the "notifying Party") shall notify the other Party when the notifying Party becomes aware of its inability to comply with the provisions of this LGIA for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this LGIA.

25.3 Audit Rights. Subject to the requirements of confidentiality under Article 22 of this LGIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either Party's performance or either Party's satisfaction of obligations under this LGIA. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, Transmission Provider's efforts to allocate responsibility for the provision of reactive support to the Transmission System, Transmission Provider's efforts to allocate responsibility for interruption or reduction of generation on the Transmission System, and each Party's actions in an Emergency Condition. Any audit authorized by this article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party's performance and satisfaction of obligations under this LGIA. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.

25.4 Audit Rights Periods.

25.4.1 Audit Rights Period for Construction-Related Accounts and Records. Accounts and records related to the design, engineering, procurement, and construction of Transmission Provider's Interconnection Facilities and Network Upgrades shall be subject to audit for a period of twenty-four months following Transmission

Provider's issuance of a final invoice in accordance with Article 12.2.

25.4.2 Audit Rights Period for All Other Accounts and Records. Accounts and records related to either Party's performance or satisfaction of all obligations under this LGIA other than those described in Article

25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four months after the event for which the audit is sought.

25.5 Audit Results. If an audit by a Party determines that an overpayment or an underpayment has occurred, a notice of such overpayment or underpayment shall be given to the other Party together with those records from the audit which support such determination.

Article 26. Subcontractors

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

26.2 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this LGIA. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Transmission Provider be liable for the actions or

inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under Article 5 of this LGIA. Any applicable obligation imposed by this LGIA upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

26.3 No Limitation by Insurance. The obligations under this Article 26 will not be limited in any way by any limitation of subcontractor's insurance.

Article 27. Disputes

27.1 Submission. In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this LGIA or its performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.

27.2 External Arbitration Procedures. Any arbitration initiated under this LGIA shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric

utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail.

27.3 Arbitration Decisions. Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this LGIA and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

27.4 Costs. Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

Article 28. Representations, Warranties, and Covenants

28.1 General. Each Party makes the following representations, warranties and covenants:

28.1.1 Good Standing. Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located**;** and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this LGIA and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this LGIA.

28.1.2 Authority. Such Party has the right, power and authority to enter into this LGIA, to become a Party hereto and to perform its obligations hereunder. This LGIA is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

28.1.3 No Conflict. The execution, delivery and performance of this LGIA does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

28.1.4 **Consent and Approval.** Such Party has sought or obtained, or, in accordance with this LGIA will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this LGIA, and it will provide to any Governmental Authority notice of any actions under this LGIA that are required by Applicable Laws and Regulations.

Article 29. Joint Operating Committee

29.1 Joint Operating Committee. Except in the case of ISOs and RTOs, Transmission Provider shall constitute a Joint Operating Committee to coordinate operating and technical considerations of Interconnection Service. At least six (6) months prior to the expected Initial Synchronization Date, Interconnection Customer and Transmission Provider shall each appoint one representative and one alternate to the Joint Operating Committee. Each Interconnection Customer shall notify Transmission Provider of its appointment in writing. Such appointments may be changed at any time by similar notice. The Joint Operating Committee shall meet as necessary, but not less than once each calendar year, to carry out the duties set forth herein. The Joint Operating Committee shall hold a meeting at the request of either Party, at a time and place agreed upon by the representatives. The Joint Operating Committee shall perform all of its duties consistent with the provisions of this LGIA. Each Party shall cooperate in providing to the Joint Operating Committee all information required in the performance of the Joint Operating Committee's duties. All decisions and agreements, if any, made by the Joint Operating Committee, shall be evidenced in writing. The duties of the Joint Operating Committee shall include the following:

29.1.1 Establish data requirements and operating record requirements.

29.1.2 Review the requirements, standards, and procedures for data acquisition equipment, protective equipment, and any other equipment or software.

29.1.3 Annually review the one (1) year forecast of maintenance and planned outage schedules of Transmission Provider's and Interconnection Customer's facilities at the Point of Interconnection.

29.1.4 Coordinate the scheduling of maintenance and planned outages on the Interconnection Facilities, the Large Generating Facility and other facilities that impact the normal operation of the interconnection of the Large Generating Facility to the Transmission System.

29.1.5 Ensure that information is being provided by each Party regarding equipment availability.

29.1.6 Perform such other duties as may be conferred upon it by mutual agreement of the Parties.

Article 30. Miscellaneous

30.1 Binding Effect. This LGIA and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

30.2 Conflicts. In the event of a conflict between the body of this LGIA and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this LGIA shall prevail and be deemed the final intent of the Parties.

30.3 Rules of Interpretation. This LGIA, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the

plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this LGIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this LGIA), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this LGIA or such Appendix to this LGIA, or such Section to the LGIP or such Appendix to the LGIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this LGIA as a whole and not to any particular Article or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including," "to" means "to but excluding" and "through" means "through and including."

30.4 Entire Agreement. This LGIA, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this LGIA. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this LGIA.

30.5 No Third Party Beneficiaries. This LGIA is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

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

Any waiver at any time by either Party of its rights with respect to this LGIA shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this LGIA. Termination or Default of this LGIA for any reason by Interconnection Customer shall not constitute a waiver of Interconnection Customer's legal rights to obtain an interconnection from Transmission Provider. Any waiver of this LGIA shall, if requested, be provided in writing.

30.7 Headings. The descriptive headings of the various Articles of this LGIA have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this LGIA.

30.8 Multiple Counterparts. This LGIA may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

30.9 Amendment. The Parties may by mutual agreement amend this LGIA by a written instrument duly executed by the Parties.

30.10 Modification by the Parties. The Parties may by mutual agreement amend the Appendices to this LGIA by a written instrument duly executed by the Parties. Such amendment shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.

30.11 Reservation of Rights. Transmission Provider shall have the right to make a unilateral filing with FERC to modify this LGIA with respect to any rates, terms

and conditions, charges, classifications of service, rule or regulation under section205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this LGIA pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this LGIA shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

30.12 No Partnership. This LGIA shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power, or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

IN WITNESS WHEREOF, the Parties have executed this LGIA in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

{Insert name of Transmission Provider or Transmission Owner, if applicable}

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

{Insert name of Interconnection Customer}

By: _____

Title: _____

Date: _____

Appendix A to LGIA

Interconnection Facilities, Network Upgrades and Distribution Upgrades

1. Interconnection Facilities:

(a) {insert Interconnection Customer's Interconnection Facilities}:

(b) {insert Transmission Provider's Interconnection Facilities}:

2. Network Upgrades:

(a) {insert Stand Alone Network Upgrades}:

(b) {insert Substation Network Upgrades}:

(c) {insert System Network Upgrades}:

3. Distribution Upgrades:

Appendix B to LGIA

Milestones

Site Control

Check box if applicable { }

Interconnection Customer with qualifying regulatory limitations must demonstrate 100% Site Control by {Transmission Provider to insert date one hundred eighty (180) Calendar Days from the effective date of this LGIA} or the LGIA may be terminated per Article 17 (Default) of this LGIA and Interconnection Customer may be subject to Withdrawal Penalties per Section 3.7.1.1 of Transmission Provider's LGIP (Calculation of the Withdrawal Penalty).

Appendix C to LGIA

Interconnection Details
Appendix D to LGIA

Security Arrangements Details

Infrastructure security of Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day Transmission System reliability and operational security. FERC will expect all Transmission Providers, market participants, and Interconnection Customers interconnected to the Transmission System to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

Appendix E to LGIA

Commercial Operation Date

This Appendix E is a part of the LGIA between Transmission Provider and Interconnection Customer.

{Date}

{Transmission Provider Address}

Re: _____Large Generating Facility

Dear _____:

On **{Date} {Interconnection Customer}** has completed Trial Operation of Unit No. ___. This letter confirms that {Interconnection Customer} commenced Commercial Operation of Unit No. ___at the Large Generating Facility, effective as of **{Date plus one day}**.

Thank you.

{Signature}

{Interconnection Customer Representative}

Appendix F to LGIA

Addresses for Delivery of Notices and Billings

Notices:

Transmission Provider:

{To be supplied.}

Interconnection Customer:

{To be supplied.}

Billings and Payments:

Transmission Provider:

{To be supplied.}

Interconnection Customer:

{To be supplied.}

Alternative Forms of Delivery of Notices (telephone, facsimile or email):

Transmission Provider:

{To be supplied.}

Interconnection Customer:

{To be supplied.}

APPENDIX G

INTERCONNECTION REQUIREMENTS FOR A WIND GENERATING PLANT

Appendix G sets forth requirements and provisions specific to a wind generating plant or a Generating Facility that contains a wind generating plant. All other requirements of this LGIA continue to apply to wind generating plant interconnections.

A. Technical Standards Applicable to a Wind Generating Plant

i. Low Voltage Ride-Through (LVRT) Capability

A wind generating plant shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard below. The LVRT standard provides for a transition period standard and a post-transition period standard.

Transition Period LVRT Standard

The transition period standard applies to wind generating plants subject to FERC Order 661 that have either: (i) interconnection agreements signed and filed with the Commission, filed with the Commission in unexecuted form, or filed with the Commission as non-conforming agreements between January 1, 2006 and December 31, 2006, with a scheduled in-service date no later than December 31, 2007, or (ii) wind generating turbines subject to a wind turbine procurement contract executed prior to December 31, 2005, for delivery through 2007.

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by transmission provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles at a voltage as low as 0.15 p.u., as measured at the high side of the wind generating plant step-up transformer (i.e. the transformer that steps the voltage up to the transmission interconnection voltage or "GSU"), after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system.

2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.

3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.

4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr Compensator, etc.) within the wind generating plant or by a combination of

generator performance and additional equipment.

5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

Post-transition Period LVRT Standard

All wind generating plants subject to FERC Order No. 661 and not covered by the transition period described above must meet the following requirements:

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by transmission provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system. A wind generating plant shall remain interconnected during such a fault on the transmission system for a voltage

level as low as zero volts, as measured at the high voltage side of the wind GSU.

2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU.

3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.

4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAR Compensator) within the wind generating plant or by a combination of generator performance and additional equipment.

Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

ii. Power Factor Design Criteria (Reactive Power)

The following reactive power requirements apply only to a newly interconnecting wind generating plant that has executed a Facilities Study Agreement as of the effective date of the Final Rule establishing the reactive power requirements for non-synchronous generators in article 9.6.1 of this LGIA (Order No. 827). A wind generating plant to which this provision applies shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this

LGIA, if Transmission Provider's Cluster Study shows that such a requirement is necessary to ensure safety or reliability. The power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by Transmission Provider, or a combination of the two. Interconnection Customer shall not disable power factor equipment while the wind plant is in operation. Wind plants shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the Cluster Study shows this to be required for system safety or reliability.

iii. Supervisory Control and Data Acquisition (SCADA) Capability

The wind plant shall provide SCADA capability to transmit data and receive instructions from Transmission Provider to protect system reliability. Transmission Provider and the wind plant Interconnection Customer shall determine what SCADA information is essential for the proposed wind plant, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability in its area.

Appendix H to LGIA

Operating Assumptions for Generating Facility

Check box if applicable { }

Operating Assumptions:

{insert operating assumptions that reflect the charging behavior of the Generating Facility that includes at least one electric storage resource}

ATTACHMENT N

Small Generator Interconnection Procedures and Agreement

Small Generator Interconnection Procedures (SGIP)

(For Generating Facilities No Larger Than 20 MW)

Notice to Prospective Applicants:

The interconnection of generating facilities to distribution facilities not subject to FERC jurisdiction are not subject to these procedures. The term "Distribution System" as used in the SGIP is limited to distribution facilities that are subject to FERC jurisdiction. See FERC Order No. 792 at P 247.

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Attachment 6 – Feasibility Study Agreement
Attachment 7 – System Impact Study Agreement
Attachment 8 – Facilities Study Agreement

Section 1. Application

1.1 Applicability

1.1.1 A request to interconnect a certified Small Generating Facility (See Attachments 3 and 4 for description of certification criteria) to Transmission Provider's Distribution System shall be evaluated under the section 2 Fast Track Process if the eligibility requirements of section 2.1 are met. A request to interconnect a certified inverter-based Small Generating Facility no larger than 10 kilowatts (kW) shall be evaluated under the Attachment 5 10 kW Inverter Process. A request to interconnect a Small Generating Facility no larger than 20 megawatts (MW) that does not meet the eligibility requirements of section 2.1, or does not pass the Fast Track Process or the 10 kW Inverter Process, shall be evaluated under the section 3 Study Process. If Interconnection Customer wishes to interconnect its Small Generating Facility using Network Resource Interconnection Service, it must do so under the Standard Large Generator Interconnection Procedures and execute the Standard Large Generator Interconnection Agreement.

1.1.2 Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of these procedures.

1.1.3 Neither these procedures nor the requirements included hereunder apply to Small Generating Facilities interconnected or approved for interconnection prior to sixty (60) Business Days after the effective date of these procedures.

1.1.4 Prior to submitting its Interconnection Request (Attachment 2), Interconnection Customer may ask Transmission Provider's interconnection contact employee or office whether the proposed interconnection is subject to these procedures. Transmission Provider shall respond within fifteen (15) Business Days.

1.1.5 Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. The Federal Energy Regulatory Commission expects all Transmission Providers, market participants, and Interconnection Customers interconnected with electric systems to comply

with the recommendations offered by the President's Critical Infrastructure Protection Board and best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for electric system infrastructure and operational security, including physical, operational, and cyber-security practices.

1.1.6 References in these procedures to interconnection agreement are to the Small Generator Interconnection Agreement (SGIA).

1.2 Pre-Application

1.2.1 Transmission Provider shall designate an employee or office from which information on the application process and on an Affected System can be obtained through informal requests from Interconnection Customer presenting a proposed project for a specific site. The name, telephone number, and e-mail address of such contact employee or office shall be made available on Transmission Provider's Internet web site. Electric system information provided to Interconnection Customer should include relevant system studies, interconnection studies, and other materials useful to an understanding of an interconnection at a particular point on Transmission Provider's Transmission System, to the extent such provision does not violate confidentiality provisions of prior agreements or critical infrastructure requirements. Transmission Provider shall comply with reasonable requests for such information.

1.2.2 In addition to the information described in section 1.2.1, which may be provided in response to an informal request, an Interconnection Customer may submit a formal written request form along with a non-refundable fee of $300 for a pre-application report on a proposed project at a specific site. Transmission Provider shall provide the pre-application data described in section 1.2.3 to Interconnection Customer within twenty(20) Business Days of receipt of the completed request form and payment of the $300 fee. The pre-application report produced by Transmission Provider is non-binding, does not confer any rights, and Interconnection Customer must still successfully apply to interconnect to Transmission Provider's system. The written pre-application report request form shall include the information in sections 1.2.2.1 through

1.2.2.8 below to clearly and sufficiently identify the location of the proposed Point of Interconnection.

1.2.2.1 Project contact information, including name, address, phone number, and email address.

1.2.2.2 Project location (street address with nearby cross streets and town)

1.2.2.3 Meter number, pole number, or other equivalent information identifying proposed Point of Interconnection, if available.

1.2.2.4 Generator Type (e.g., solar, wind, combined heat and power, etc.)

1.2.2.5 Size (alternating current kW)

1.2.2.6 Single or three phase generator configuration

1.2.2.7 Stand-alone generator (no onsite load, not including station service – Yes or No?)

1.2.2.8 Is new service requested? Yes or No? If there is existing service, include the customer account number, site minimum and maximum current or proposed electric loads in kW (if available) and specify if the load is expected to change.

1.2.3. Using the information provided in the pre-application report request form in section 1.2.2, Transmission Provider will identify the substation/area bus, bank or circuit likely to serve the proposed Point of Interconnection. This selection by Transmission Provider does not necessarily indicate, after application of the screens and/or study, that this would be the circuit the project ultimately connects to. Interconnection Customer must request additional pre-application reports if information about multiple Points of Interconnection is requested. Subject to section 1.2.4, the pre- application report will include the following information:

1.2.3.1 Total capacity (in MW) of substation/area bus, bank or circuit based on normal or operating ratings likely to serve the proposed Point of Interconnection.

1.2.3.2 Existing aggregate generation capacity (in MW) interconnected to a substation/area bus, bank or circuit (i.e., amount of generation online) likely to serve the proposed Point of Interconnection.

1.2.3.3 Aggregate queued generation capacity (in MW) for a substation/area bus, bank or circuit (i.e., amount of generation in the queue) likely to serve the proposed Point of Interconnection.

1.2.3.4 Available capacity (in MW) of substation/area bus or bank and circuit likely to serve the proposed Point of Interconnection (i.e., total capacity less the sum of existing aggregate generation capacity and aggregate queued generation capacity).

1.2.3.5 Substation nominal distribution voltage and/or transmission nominal voltage if applicable.

1.2.3.6 Nominal distribution circuit voltage at the proposed Point of Interconnection.

1.2.3.7 Approximate circuit distance between the proposed Point of Interconnection and the substation.

1.2.3.8 Relevant line section(s) actual or estimated peak load and minimum load data, including daytime minimum load as described in section 2.4.4.1.1 below and absolute minimum load, when available.

1.2.3.9 Number and rating of protective devices and number and type (standard, bi-directional) of voltage regulating devices between the proposed Point of Interconnection and the substation/area. Identify whether the substation has a load tap changer.

1.2.3.10 Number of phases available at the proposed Point of Interconnection. If a single phase, distance from the three-phase circuit.

1.2.3.11 Limiting conductor ratings from the proposed Point of Interconnection to the distribution substation.

1.2.3.12 Whether the Point of Interconnection is located on a spot network, grid network, or radial supply.

1.2.3.13 Based on the proposed Point of Interconnection, existing or known constraints such as, but not limited to, electrical dependencies at that location, short circuit interrupting capacity issues, power quality or stability issues on the circuit, capacity constraints, or secondary networks.

1.2.4 The pre-application report need only include existing data. A pre-application report request does not obligate Transmission Provider to conduct a study or other analysis of the proposed generator in the event that data is not readily available. If Transmission Provider cannot complete all or some of a pre-application report due to lack of available data, the

Transmission Provider shall provide Interconnection Customer with a pre-application report that includes the data that is available. The provision

Of information on "available capacity" pursuant to section 1.2.3.4 does not imply that an interconnection up to this level may be completed without impacts since there are many variables studied as part of the interconnection review process, and data provided in the pre-application report may become outdated at the time of the submission of the complete Interconnection Request. Notwithstanding any of the provisions of this section, Transmission Provider shall, in good faith, include data in the pre-application report that represents the best available information at the time of reporting.

1.3 Interconnection Request

Interconnection Customer shall submit its Interconnection Request to Transmission Provider, together with the processing fee or deposit specified in the Interconnection Request. The Interconnection Request shall be date- and time-stamped upon receipt. The original date- and time-stamp applied to the Interconnection Request at the time of its original submission shall be accepted as the qualifying date- and time-stamp for the purposes of any timetable in these procedures. Interconnection Customer shall be notified of receipt by Transmission Provider within three (3) Business Days of receiving the Interconnection Request. Transmission Provider shall notify Interconnection Customer within

ten (10) Business Days of the receipt of the Interconnection Request as to whether the Interconnection Request is complete or incomplete. If the Interconnection Request is incomplete, Transmission Provider shall provide along with the notice that the Interconnection Request is incomplete, a written list detailing all information that must be provided to complete the Interconnection Request. Interconnection Customer will have ten (10) Business Days after receipt of the notice to submit the listed information or to request an extension of time to provide such information. If Interconnection Customer does not provide the listed information or a request for an extension of time within the deadline, the Interconnection Request will be deemed withdrawn. An Interconnection Request will be deemed complete upon submission of the listed information to Transmission Provider.

1.4 Modification of the Interconnection Request

Any modification to machine data or equipment configuration or to the interconnection site of the Small Generating Facility not agreed to in writing by Transmission Provider and Interconnection Customer may be deemed a withdrawal of the Interconnection Request and may require submission of a new Interconnection Request, unless proper notification of each Party by the other and a reasonable time to cure the problems created by the changes are undertaken. Any such modification of the Interconnection Request must be accompanied by any resulting updates to the models described in Attachment 2 of this SGIP.

1.5 Site Control

Documentation of site control must be submitted with the Interconnection Request. Site control may be demonstrated through:

1.5.1 Ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Small Generating Facility;

1.5.2 An option to purchase or acquire a leasehold site for such purpose; or

1.5.3 An exclusivity or other business relationship between Interconnection Customer and the entity having the right to sell, lease, or grant Interconnection Customer the right to possess or occupy a site for such purpose.

1.6 Queue Position

Transmission Provider shall assign a Queue Position based upon the date- and time-stamp of the Interconnection Request. The Queue Position of each Interconnection Request will be used to determine the cost responsibility for the Upgrades necessary to accommodate the interconnection. Transmission Provider shall maintain a single queue per geographic region. At Transmission Provider's option, Interconnection Requests may be studied serially or in clusters for the purpose of the system impact study.

1.7 Interconnection Requests Submitted Prior to the Effective Date of the SGIP

Nothing in this SGIP affects an Interconnection Customer's Queue Position assigned before the effective date of this SGIP. The Parties agree to complete work on any interconnection study agreement executed prior the effective date of this SGIP in accordance with the terms and conditions of that interconnection study agreement. Any new studies or other additional work will be completed pursuant to this SGIP.

Section 2. Fast Track Process

2.1 Applicability

The Fast Track Process is available to an Interconnection Customer proposing to interconnect its Small Generating Facility with Transmission Provider's Distribution System if the Small Generating Facility's capacity does not exceed the size limits identified in the table below. Small Generating Facilities below these limits are eligible for Fast Track review. However, Fast Track eligibility is distinct from the Fast Track Process itself, and eligibility does not imply or indicate that a Small Generating Facility will pass the Fast Track screens in section 2.2.1 below or the Supplemental Review screens in section 2.4.4 below.

Fast Track eligibility is determined based upon the generator type, the size of the generator, voltage of the line and the location of and the type of line at the Point of Interconnection. All Small Generating Facilities connecting to lines greater than 69 kilovolt (kV) are ineligible for the Fast Track Process regardless of size. All synchronous and induction machines must be no larger than 2 MW to be eligible for the Fast Track Process, regardless of location. For certified inverter-based systems, the size limit varies according to the voltage of the line at the proposed

Point of Interconnection. Certified inverter-based Small Generating Facilities located within 2.5 electrical circuit miles of a substation and on a mainline (as defined in the table below) are eligible for the Fast Track Process under the higher thresholds according to the table below. In addition to the size threshold, Interconnection Customer's proposed Small Generating Facility must meet the codes, standards, and certification requirements of Attachments 3 and 4 of these procedures, or Transmission Provider has to have reviewed the design or tested the proposed Small Generating Facility and is satisfied that it is safe to operate.

Fast Track Eligibility for Inverter-Based Systems		
Line Voltage	Fast Track Eligibility Regardless of Location	Fast Track Eligibility on a Mainline[1] and ≤ 2.5 Electrical Circuit Miles from Substation[2]
< 5 kV	≤ 500 kW	≤ 500 kW
≥ 5 kV and < 15 kV	≤ 2 MW	≤ 3 MW
≥ 15 kV and < 30 kV	≤ 3 MW	≤ 4 MW
≥ 30 kV and ≤ 69 kV	≤ 4 MW	≤ 5 MW

[1] For purposes of this table, a mainline is the three-phase backbone of a circuit. It will typically constitute lines with wire sizes of 4/0 American wire gauge, 336.4 kcmil, 397.5 kcmil, 477 kcmil and 795 kcmil.

[2] An Interconnection Customer can determine this information about its proposed interconnection location in advance by requesting a pre-application report pursuant to section 1.2.

2.2 Initial Review

Within fifteen (15) Business Days after Transmission Provider notifies Interconnection Customer it has received a complete Interconnection Request, Transmission Provider shall perform an initial review using the screens set forth below, shall notify Interconnection Customer of the results, and include with the notification copies of the analysis and data underlying Transmission Provider's determinations under the screens.

2.2.1 Screens

2.2.1.1 The proposed Small Generating Facility's Point of Interconnection must be on a portion of Transmission Provider's Distribution System that is subject to the Tariff.

2.2.1.2 For interconnection of a proposed Small Generating Facility to a radial distribution circuit, the aggregated generation, including the proposed Small Generating Facility, on the circuit shall not exceed 15 % of the line section annual peak load as most recently measured at the substation. A line section is that portion of a Transmission Provider's electric system connected to a customer bounded by automatic sectionalizing devices or the end of the distribution line.

2.2.1.3 For interconnection of a proposed Small Generating Facility to the load side of spot network protectors, the proposed Small Generating Facility must utilize an inverter-based equipment package and, together with the aggregated other inverter-based generation, shall not exceed the smaller of 5 % of a spot network's maximum load or 50 kW.[3]

2.2.1.4 The proposed Small Generating Facility, in aggregation with other generation on the distribution circuit, shall not contribute more than 10 % to the distribution circuit's

[3] A spot network is a type of distribution system found within modern commercial buildings to provide high reliability of service to a single customer. (Standard Handbook for Electrical Engineers, 11th edition, Donald Fink, McGraw Hill Book Company)

maximum fault current at the point on the high voltage (primary) level nearest the proposed point of change of ownership.

2.2.1.5 The proposed Small Generating Facility, in aggregate with other generation on the distribution circuit, shall not cause any distribution protective devices and equipment (including, but not limited to, substation breakers, fuse cutouts, and line reclosers), or Interconnection Customer equipment on the system to exceed 87.5 % of the short circuit interrupting capability; nor shall the interconnection be proposed for a circuit that already exceeds 87.5 % of the short circuit interrupting capability.

2.2.1.6 Using the table below, determine the type of interconnection to a primary distribution line. This screen includes a review of the type of electrical service provided to the Interconnecting Customer, including line configuration and the transformer connection to limit the potential for creating over-voltages on Transmission Provider's electric power system due to a loss of ground during the operating time of any anti-islanding function.

Primary Distribution Line Type	**Type of Interconnection to Primary Distribution Line**	**Result/Criteria**
Three-phase, three wire	3-phase or single phase, phase-to-phase	Pass screen
Three-phase, four wire	Effectively-grounded 3 phase or Single-phase, line-to-neutral	Pass screen

2.2.1.7 If the proposed Small Generating Facility is to be interconnected on single-phase shared secondary, the aggregate generation capacity on the shared secondary,

including the proposed Small Generating Facility, shall not exceed 20 kW.

2.2.1.8 If the proposed Small Generating Facility is single-phase and is to be interconnected on a center tap neutral of a 240 volt service, its addition shall not create an imbalance between the two sides of the 240 volt service of more than 20 % of the nameplate rating of the service transformer.

2.2.1.9 The Small Generating Facility, in aggregate with other generation interconnected to the transmission side of a substation transformer feeding the circuit where the Small Generating Facility proposes to interconnect shall not exceed 10 MW in an area where there are known, or posted, transient stability limitations to generating units located in the general electrical vicinity (e.g., three or four transmission busses from the point of interconnection).

2.2.1.10 No construction of facilities by Transmission Provider on its own system shall be required to accommodate the Small Generating Facility.

2.2.2 If the proposed interconnection passes the screens, the Interconnection Request shall be approved and Transmission Provider will provide Interconnection Customer an executable interconnection agreement within five (5) Business Days after the determination.

2.2.3 If the proposed interconnection fails the screens, but Transmission Provider determines that the Small Generating Facility may nevertheless be interconnected consistent with safety, reliability, and power quality standards, Transmission Provider shall provide Interconnection Customer an executable interconnection agreement within five (5) Business Days after the determination.

2.2.4 If the proposed interconnection fails the screens, and Transmission Provider does not or cannot determine from the initial review that the Small Generating Facility may nevertheless be interconnected consistent with safety, reliability, and power quality

standards unless Interconnection Customer is willing to consider minor modifications or further study, Transmission Provider shall provide Interconnection Customer with the opportunity to attend a customer options meeting.

2.3 Customer Options Meeting

If Transmission Provider determines the Interconnection Request cannot be approved without (1) minor modifications at minimal cost, (2) a supplemental study or other additional studies or actions, or (3) incurring significant cost to address safety, reliability, or power quality problems, Transmission Provider shall notify Interconnection Customer of that determination within five (5) Business Days after the determination and provide copies of all data and analyses underlying its conclusion. Within ten (10) Business Days of Transmission Provider's determination, Transmission Provider shall offer to convene a customer options meeting with Transmission Provider to review possible Interconnection Customer facility modifications or the screen analysis and related results, to determine what further steps are needed to permit the Small Generating Facility to be connected safely and reliably. At the time of notification of Transmission Provider's determination, or at the customer options meeting, Transmission Provider shall:

2.3.1 Offer to perform facility modifications or minor modifications to Transmission Provider's electric system (e.g., changing meters, fuses, relay settings) and provide a non-binding good faith estimate of the limited cost to make such modifications to Transmission Provider's electric system. If Interconnection Customer agrees to pay for the modifications to the

Transmission Provider's electric system, Transmission Provider will provide Interconnection Customer with an executable interconnection agreement within ten (10) Business Days of the customer options meeting; or

2.3.2 Offer to perform a supplemental review in accordance with section 2.4 and provide a non-binding good faith estimate of the costs of such review; or

2.3.3 Obtain Interconnection Customer's agreement to continue evaluating the Interconnection Request under the section 3 Study Process.

2.4 Supplemental Review

2.4.1 To accept the offer of a supplemental review, Interconnection Customer shall agree in writing and submit a deposit for the estimated costs of the supplemental review in the amount of Transmission Provider's good faith estimate of the costs of such review, both within fifteen (15) Business Days of the offer. If the written agreement and deposit have not been received by Transmission Provider within that timeframe, the Interconnection Request shall continue to be evaluated under the section 3 Study Process unless it is withdrawn by Interconnection Customer.

2.4.2 Interconnection Customer may specify the order in which Transmission Provider will complete the screens in section 2.4.4.

2.4.3 Interconnection Customer shall be responsible for Transmission Provider's actual costs for conducting the supplemental review. Interconnection Customer must pay any review costs that exceed the deposit within twenty (20) Business Days of receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced costs, Transmission Provider will return such excess within twenty (20) Business Days of the invoice without interest.

2.4.4 Within thirty (30) Business Days following receipt of the deposit for a supplemental review, Transmission Provider shall (1) perform a supplemental review using the screens set forth below; (2) notify in writing Interconnection Customer of the results; and (3) include with the notification copies of the analysis and data underlying Transmission Provider's determinations under the screens. Unless Interconnection Customer provided instructions for how to respond to the failure of any of the supplemental review screens below at the time Interconnection Customer accepted the offer of supplemental review, Transmission Provider shall notify Interconnection Customer following the failure of any of the screens, or if it is unable to perform the screen in section 2.4.4.1, within two (2) Business Days of making such determination to obtain Interconnection Customer's permission to: (1) continue evaluating the proposed

interconnection under this section 2.4.4; (2) terminate the supplemental review and continue evaluating the Small Generating Facility under section 3; or (3) terminate the supplemental review upon withdrawal of the Interconnection Request by Interconnection Customer.

2.4.4.1 Minimum Load Screen: Where 12 months of line section minimum load data (including onsite load but not station service load served by the proposed Small Generating Facility) are available, can be calculated, can be estimated from existing data, or determined from a power flow model, the aggregate Generating Facility capacity on the line section is less than 100% of the minimum load for all line sections bounded by automatic sectionalizing devices upstream of the proposed Small Generating Facility. If minimum load data is not available, or cannot be calculated, estimated or determined, Transmission Provider shall include the reason(s) that it is unable to calculate, estimate or determine minimum load in its supplemental review results notification under section 2.4.4.

2.4.4.1.1 The type of generation used by the proposed Small Generating Facility will be taken into account when calculating, estimating, or determining circuit or line section minimum load relevant for the application of screen 2.4.4.1. Solar photovoltaic (PV) generation systems with no battery storage use daytime minimum load (i.e. 10 a.m. to 4 p.m. for fixed panel systems and 8 a.m. to 6 p.m. for PV systems utilizing tracking systems), while all other generation uses absolute minimum load.

2.4.4.1.2 When this screen is being applied to a Small Generating Facility that serves some station

service load, only the net injection into Transmission Provider's electric system will be considered as part of the aggregate generation.

2.4.4.1.3 Transmission Provider will not consider as part of the aggregate generation for purposes of this screen generating facility capacity known to be already reflected in the minimum load data.

2.4.4.2 Voltage and Power Quality Screen: In aggregate with existing generation on the line section: (1) the voltage regulation on the line section can be maintained in compliance with relevant requirements under all system conditions; (2) the voltage fluctuation is within acceptable limits as defined by Institute of Electrical and Electronics Engineers (IEEE) Standard 1453, or utility practice similar to IEEE Standard 1453; and (3) the harmonic levels meet IEEE Standard 519 limits.

2.4.4.3 Safety and Reliability Screen: The location of the proposed Small Generating Facility and the aggregate generation capacity on the line section do not create impacts to safety or reliability that cannot be adequately addressed without application of the Study Process. Transmission Provider shall give due consideration to the following and other factors in determining potential impacts to safety and reliability in applying this screen.

2.4.4.3.1 Whether the line section has significant minimum loading levels dominated by a small number of customers (e.g., several large commercial customers).

2.4.4.3.2 Whether the loading along the line section is uniform or even.

2.4.4.3.3 Whether the proposed Small Generating Facility is located in close proximity to the substation (i.e., less than 2.5 electrical circuit miles), and whether the line section from the substation to the Point of Interconnection is a

Mainline rated for normal and emergency ampacity.

2.4.4.3.4 Whether the proposed Small Generating Facility incorporates a time delay function to prevent reconnection of the generator to the system until system voltage and frequency are within normal limits for a prescribed time.

2.4.4.3.5 Whether operational flexibility is reduced by the proposed Small Generating Facility, such that transfer of the line section(s) of the Small Generating Facility to a neighboring distribution circuit/substation may trigger overloads or voltage issues.

2.4.4.3.6 Whether the proposed Small Generating Facility employs equipment or systems certified by a recognized standards organization to address technical issues such as, but not limited to, islanding, reverse power flow, or voltage quality.

2.4.5 If the proposed interconnection passes the supplemental screens in sections 2.4.4.1, 2.4.4.2, and 2.4.4.3 above, the Interconnection Request shall be approved and Transmission Provider will provide Interconnection Customer with an executable interconnection agreement within the timeframes established in sections 2.4.5.1 and 2.4.5.2 below. If the proposed interconnection fails any of the supplemental review screens and Interconnection Customer does not withdraw its Interconnection Request, it shall continue to be evaluated under the section 3 Study Process consistent with section 2.4.5.3 below.

2.4.5.1 If the proposed interconnection passes the supplemental screens in sections 2.4.4.1, 2.4.4.2, and 2.4.4.3 above and does not require construction of facilities by Transmission Provider on its own system, the interconnection agreement shall be provided within ten (10) Business Days after the notification of the supplemental review results.

2.4.5.2 If interconnection facilities or minor modifications to Transmission Provider's system are required for the proposed interconnection to pass the supplemental screens in sections 2.4.4.1, 2.4.4.2, and 2.4.4.3 above, and Interconnection Customer agrees to pay for the modifications to Transmission Provider's electric system, the interconnection agreement, along with a non-binding good faith estimate for the interconnection facilities and/or minor modifications, shall be provided to Interconnection Customer within fifteen (15) Business Days after receiving written notification of the supplemental review results.

2.4.5.3 If the proposed interconnection would require more than interconnection facilities or minor modifications to Transmission Provider's system to pass the supplemental screens in sections 2.4.4.1, 2.4.4.2, and 2.4.4.3 above, Transmission Provider shall notify Interconnection Customer, at the same time it notifies Interconnection Customer with the supplemental review results, that the Interconnection Request shall be evaluated under the section 3 Study Process unless Interconnection Customer withdraws its Small Generating Facility.

Section 3. Study Process

3.1 Applicability

The Study Process shall be used by an Interconnection Customer proposing to interconnect its Small Generating Facility with Transmission Provider's Transmission System or Distribution System if the Small Generating Facility (1) is larger than 2 MW but no larger than 20 MW, (2) is not certified, or (3) is certified but did not pass the Fast Track Process or the 10 kW Inverter Process.

3.2 Scoping Meeting

3.2.1 A scoping meeting will be held within ten (10) Business Days after the Interconnection Request is deemed complete, or as otherwise mutually agreed to by the Parties. Transmission Provider and Interconnection Customer will bring to the meeting personnel, including

system engineers and other resources as may be reasonably required to accomplish the purpose of the meeting.

3.2.2 The purpose of the scoping meeting is to discuss the Interconnection Request and review existing studies relevant to the Interconnection Request. The Parties shall further discuss whether Transmission Provider should perform a feasibility study or proceed directly to a system impact study, or a facilities study, or an interconnection agreement. If the Parties agree that a feasibility study should be performed, Transmission Provider shall provide Interconnection Customer, as soon as possible, but not later than five (5) Business Days after the scoping meeting, a feasibility study agreement (Attachment 6) including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study.

3.2.3 The scoping meeting may be omitted by mutual agreement. In order to remain in consideration for interconnection, an Interconnection Customer who has requested a feasibility study must return the executed feasibility study agreement within fifteen (15) Business Days. If the Parties agree not to perform a feasibility study, Transmission Provider shall provide Interconnection Customer, no later than five (5) Business Days after the scoping meeting, a system impact study agreement (Attachment 7) including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study.

3.3 Feasibility Study

3.3.1 The feasibility study shall identify any potential adverse system impacts that would result from the interconnection of the Small Generating Facility.

3.3.2 A deposit of the lesser of 50 percent of the good faith estimated feasibility study costs or earnest money of $1,000 may be required from Interconnection Customer.

3.3.3 The scope of and cost responsibilities for the feasibility study are described in the attached feasibility study agreement (Attachment 6).

3.3.4 If the feasibility study shows no potential for adverse system impacts, Transmission Provider shall send Interconnection Customer a facilities study agreement, including an outline of the scope of the study

and a non-binding good faith estimate of the cost to perform the study. If no additional facilities are required, Transmission Provider shall send Interconnection Customer an executable interconnection agreement within five (5) Business Days.

3.3.5 If the feasibility study shows the potential for adverse system impacts, the review process shall proceed to the appropriate system impact study(s).

3.3.6 The feasibility study shall evaluate static synchronous compensators, static VAR compensators, advanced power flow control devices, transmission switching, synchronous condensers, voltage source converters, advanced conductors, and tower lifting. Transmission Provider shall evaluate each identified alternative transmission technology and determine whether it should be used, consistent with Good Utility Practice, Applicable Reliability Standards, and Applicable Laws and Regulations. Transmission Provider shall include an explanation of the results of Transmission Provider's evaluation for each technology in the feasibility study report.

3.4 System Impact Study

3.4.1 A system impact study shall identify and detail the electric system impacts that would result if the proposed Small Generating Facility were interconnected without project modifications or electric system modifications, focusing on the adverse system impacts identified in the feasibility study, or to study potential impacts, including but not limited to those identified in the scoping meeting. A system impact study shall evaluate the impact of the proposed interconnection on the reliability of the electric system.

3.4.2 If no transmission system impact study is required, but potential electric power Distribution System adverse system impacts are identified in the scoping meeting or shown in the feasibility study, a distribution system impact study must be performed. Transmission Provider shall send Interconnection Customer a distribution system impact study agreement within fifteen (15) Business Days of transmittal of the feasibility study report, including an outline of the scope of the study and a non- binding good faith estimate of the cost to perform the study, or following the scoping meeting if no feasibility study is to be performed.

3.4.3 In instances where the feasibility study or the distribution system impact study shows potential for transmission system adverse system impacts, within five (5) Business Days following transmittal of the feasibility study report, Transmission Provider shall send Interconnection Customer a transmission system impact study agreement, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, if such a study is required.

3.4.4 If a transmission system impact study is not required, but electric power Distribution System adverse system impacts are shown by the feasibility study to be possible and no distribution system impact study has been conducted, Transmission Provider shall send Interconnection Customer a distribution system impact study agreement.

3.4.5 If the feasibility study shows no potential for transmission system or Distribution System adverse system impacts, Transmission Provider shall send Interconnection Customer either a facilities study agreement (Attachment 8), including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, or an executable interconnection agreement, as applicable.

3.4.6 In order to remain under consideration for interconnection, Interconnection Customer must return executed system impact study agreements, if applicable, within thirty (30) Business Days.

3.4.7 A deposit of the good faith estimated costs for each system impact study may be required from Interconnection Customer.

3.4.8 The scope of and cost responsibilities for a system impact study are described in the attached system impact study agreement.

3.4.9 Where transmission systems and Distribution Systems have separate owners, such as is the case with transmission-dependent utilities ("TDUs") – whether investor-owned or not –Interconnection Customer may apply to the nearest Transmission Provider (Transmission Owner, Regional Transmission Operator, or Independent Transmission Provider) providing transmission service to the TDU to request project coordination. Affected Systems shall participate in the study and provide all information necessary to prepare the study.

3.4.10 The system impact study shall evaluate static synchronous compensators, static VAR compensators, advanced power flow control devices, transmission switching, synchronous condensers, voltage source converters, advanced conductors, and tower lifting. Transmission Provider shall evaluate each identified alternative transmission technology and determine whether it should be used, consistent with Good Utility Practice, Applicable Reliability Standards, and Applicable Laws and Regulations. Transmission Provider shall include an explanation of the results of Transmission Provider's evaluation for each technology in the system impact study report.

3.5 Facilities Study

3.5.1 Once the required system impact study(s) is completed, a system impact study report shall be prepared and transmitted to Interconnection Customer along with a facilities study agreement within five (5) Business Days, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the facilities study. In the case where one or both impact studies are determined to be unnecessary, a notice of the fact shall be transmitted to Interconnection Customer within the same timeframe.

3.5.2 In order to remain under consideration for interconnection, or, as appropriate, in Transmission Provider's interconnection queue, Interconnection Customer must return the executed facilities study agreement or a request for an extension of time within thirty (30) Business Days.

3.5.3 The facilities study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the system impact study(s).

3.5.4 Design for any required Interconnection Facilities and/or Upgrades shall be performed under the facilities study agreement. Transmission Provider may contract with consultants to perform activities required under the facilities study agreement. Interconnection Customer and Transmission Provider may agree to allow Interconnection Customer to separately arrange for the design of some of the Interconnection Facilities. In such cases, facilities design will be reviewed and/or modified

prior to acceptance by Transmission Provider, under the provisions of the facilities study agreement. If the Parties agree to separately arrange for design and construction, and provided security and confidentiality requirements can be met, Transmission Provider shall make sufficient information available to Interconnection Customer in accordance with confidentiality and critical infrastructure requirements to permit Interconnection Customer to obtain an independent design and cost estimate for any necessary facilities.

3.5.5 A deposit of the good faith estimated costs for the facilities study may be required from Interconnection Customer.

3.5.6 The scope of and cost responsibilities for the facilities study are described in the attached facilities study agreement.

3.5.7 Upon completion of the facilities study, and with the agreement of Interconnection Customer to pay for Interconnection Facilities and Upgrades identified in the facilities study, Transmission Provider shall provide Interconnection Customer an executable interconnection agreement within five (5) Business Days.

Section 4. Provisions that Apply to All Interconnection Requests

4.1 Reasonable Efforts

Transmission Provider shall make reasonable efforts to meet all time frames provided in these procedures unless Transmission Provider and Interconnection Customer agree to a different schedule. If Transmission Provider cannot meet a deadline provided herein, it shall notify Interconnection Customer, explain the reason for the failure to meet the deadline, and provide an estimated time by which it will complete the applicable interconnection procedure in the process.

4.2 Disputes

4.2.1 The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.

4.2.2 In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute.

4.2.3 If the dispute has not been resolved within two (2) Business Days after receipt of the Notice, either Party may contact FERC's Dispute Resolution Service (DRS) for assistance in resolving the dispute.

4.2.4 The DRS will assist the Parties in either resolving their dispute or in selecting an appropriate dispute resolution venue (e.g., mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in resolving their dispute. DRS can be reached at 1-877-337-2237 or via the internet at http://www.ferc.gov/legal/adr.asp.

4.2.5 Each Party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third-parties.

4.2.6 If neither Party elects to seek assistance from the DRS, or if the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of these procedures.

4.3 Interconnection Metering

Any metering necessitated by the use of the Small Generating Facility shall be installed at Interconnection Customer's expense in accordance with Federal Energy Regulatory Commission, state, or local regulatory requirements or Transmission Provider's specifications.

4.4 Commissioning

Commissioning tests of Interconnection Customer's installed equipment shall be performed pursuant to applicable codes and standards. Transmission Provider must be given at least five (5) Business Days written notice, or as otherwise mutually agreed to by the Parties, of the tests and may be present to witness the commissioning tests.

4.5. Confidentiality

4.5.1 Confidential information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of these procedures

all design, operating specifications, and metering data provided by Interconnection Customer shall be deemed confidential information regardless of whether it is clearly marked or otherwise designated as such.

4.5.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce these procedures. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under these procedures, or to fulfill legal or regulatory requirements.

4.5.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.

4.5.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.

4.5.3 Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to these procedures, the Party shall provide the requested information to FERC, within the time provided for in the request for information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party prior to the release of the Confidential Information to FERC. The Party shall notify the other Party when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such

information would be made public, pursuant to 18 CFR § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

4.6 Comparability

Transmission Provider shall receive, process and analyze all Interconnection Requests in a timely manner as set forth in this document. Transmission Provider shall use the same reasonable efforts in processing and analyzing Interconnection Requests from all Interconnection Customers, whether the Small Generating Facility is owned or operated by Transmission Provider, its subsidiaries or affiliates, or others.

4.7 Record Retention

Transmission Provider shall maintain for three years records, subject to audit, of all Interconnection Requests received under these procedures, the times required to complete Interconnection Request approvals and disapprovals, and justification for the actions taken on the Interconnection Requests.

4.8 Interconnection Agreement

After receiving an interconnection agreement from Transmission Provider, Interconnection Customer shall have thirty (30) Business Days or another mutually agreeable timeframe to sign and return the interconnection agreement or request that Transmission Provider file an unexecuted interconnection agreement with the Federal Energy Regulatory Commission. If Interconnection Customer does not sign the interconnection agreement, or ask that it be filed unexecuted by Transmission Provider within thirty (30) Business Days, the Interconnection Request shall be deemed withdrawn. After the interconnection agreement is signed by the Parties, the interconnection of the Small Generating Facility shall proceed under the provisions of the interconnection agreement.

4.9 Coordination with Affected Systems

Transmission Provider shall coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System operators and, if possible, include those results (if available) in its applicable interconnection study within the time frame specified in these

procedures. Transmission Provider will include such Affected System operators in all meetings held with Interconnection Customer as required by these procedures. Interconnection Customer will cooperate with Transmission Provider in all matters related to the conduct of studies and the determination of modifications to Affected Systems. A Transmission Provider which may be an Affected System shall cooperate with Transmission Provider with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

4.10 Capacity of the Small Generating Facility

4.10.1 If the Interconnection Request is for an increase in capacity for an existing Small Generating Facility, the Interconnection Request shall be evaluated on the basis of the new total capacity of the Small Generating Facility.

4.10.2 If the Interconnection Request is for a Small Generating Facility that includes multiple energy production devices at a site for which Interconnection Customer seeks a single Point of Interconnection, the Interconnection Request shall be evaluated on the basis of the aggregate capacity of the multiple devices.

4.10.3 The Interconnection Request shall be evaluated using the maximum capacity that the Small Generating Facility is capable of injecting into Transmission Provider's electric system. However, if the maximum capacity that the Small Generating Facility is capable of injecting into Transmission Provider's electric system is limited (e.g., through use of a control system, power relay(s), or other similar device settings or adjustments), then Interconnection Customer must obtain Transmission Provider's agreement, with such agreement not to be unreasonably withheld, that the manner in which Interconnection Customer proposes to implement such a limit will not adversely affect the safety and reliability of Transmission Provider's system. If Transmission Provider does not so agree, then the Interconnection Request must be withdrawn or revised to specify the maximum capacity that the Small Generating Facility is capable of injecting into Transmission Provider's electric system without such

limitations. Furthermore, nothing in this section shall prevent a Transmission Provider from considering an output higher than the limited output, if appropriate, when evaluating system protection impacts.

Attachment 1

Glossary of Terms

10 kW Inverter Process – The procedure for evaluating an Interconnection Request for a certified inverter-based Small Generating Facility no larger than 10 kW that uses the section 2 screens. The application process uses an all-in-one document that includes a simplified Interconnection Request, simplified procedures, and a brief set of terms and conditions. See SGIP Attachment 5.

Affected System – An electric system other than Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Applicable Reliability Standards – The requirements and guidelines of the Electric Reliability Organization and the Balancing Authority Area of the Transmission System to which the Generating Facility is directly interconnected.

Applicable Laws and Regulations – All duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Business Day – Monday through Friday, excluding Federal Holidays.

Distribution System –Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

Distribution Upgrades – The additions, modifications, and upgrades to Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Small Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Fast Track Process – The procedure for evaluating an Interconnection Request for a certified Small Generating Facility that meets the eligibility requirements of section 2.1 and includes the section 2 screens, customer options meeting, and optional supplemental review.

Good Utility Practice – Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and act which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Interconnection Customer – Any entity, including Transmission Provider, the Transmission Owner or any of the affiliates or subsidiaries of either, that proposes to interconnect its Small Generating Facility with Transmission Provider's Transmission System.

Interconnection Facilities –Transmission Provider's Interconnection Facilities and Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Small Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Small Generating Facility to Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

Interconnection Request –Interconnection Customer's request, in accordance with the Tariff, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with Transmission Provider's Transmission System.

Material Modification – A modification that has a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Network Resource – Any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Network Resource Interconnection Service – An Interconnection Service that allows Interconnection Customer to integrate its Generating Facility with Transmission

Provider's System (1) in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades – Additions, modifications, and upgrades to Transmission Provider's Transmission System required at or beyond the point at which the Small Generating Facility interconnects with Transmission Provider's Transmission System to accommodate the interconnection with the Small Generating Facility to Transmission Provider's Transmission System. Network Upgrades do not include Distribution Upgrades.

Party or Parties –Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Interconnection – The point where the Interconnection Facilities connect with Transmission Provider's Transmission System.

Queue Position – The order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by Transmission Provider.

Small Generating Facility –Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include Interconnection Customer's Interconnection Facilities.

Study Process – The procedure for evaluating an Interconnection Request that includes the section 3 scoping meeting, feasibility study, system impact study, and facilities study.

Transmission Owner – The entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Small Generator Interconnection Agreement to the extent necessary.

Transmission Provider – The public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from Transmission Provider.

Transmission System – The facilities owned, controlled or operated by Transmission Provider or the Transmission Owner that are used to provide transmission service under the Tariff.

Upgrades – The required additions and modifications to Transmission Provider's Transmission System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

Attachment 2

SMALL GENERATOR INTERCONNECTION REQUEST

(Application Form)

Transmission Provider: _____

Designated Contact Person: _____

Address: _____

Telephone Number: _____

Fax: _____

E-Mail Address: _____

An Interconnection Request is considered complete when it provides all applicable and correct information required below. Per SGIP section 1.5, documentation of site control must be submitted with the Interconnection Request.

Preamble and Instructions

An Interconnection Customer who requests a Federal Energy Regulatory Commission jurisdictional interconnection must submit this Interconnection Request by hand delivery, mail, e-mail, or fax to Transmission Provider.

Processing Fee or Deposit:

If the Interconnection Request is submitted under the Fast Track Process, the non-refundable processing fee is $500.

If the Interconnection Request is submitted under the Study Process, whether a new submission or an Interconnection Request that did not pass the Fast Track Process, Interconnection Customer shall submit to Transmission Provider a deposit not to exceed $1,000 towards the cost of the feasibility study.

Interconnection Customer Information

Legal Name of Interconnection Customer (or, if an individual, individual's name)

Name: _____

Contact Person: _____

Mailing Address:

_____

City: _____State:_____ Zip:_____

Facility Location (if different from above):

_____

_____

Telephone (Day): _____Telephone (Evening): _____

Fax:_____ E-Mail Address: _____

Alternative Contact Information (if different from Interconnection Customer)

Contact Name: _____

Title: _____

Address:_____

_____

Telephone (Day): _____ Telephone (Evening):_____

Fax: _____ E-Mail Address: _____

Application is for: _____New Small Generating Facility

_____Capacity addition to Existing Small Generating Facility

If capacity addition to existing facility, please describe: _____

_____

Will the Small Generating Facility be used for any of the following?

Net Metering? Yes ___No ___

To Supply Power to Interconnection Customer? Yes _____No ___

To Supply Power to Others? Yes ____No ____

For installations at locations with existing electric service to which the proposed Small Generating Facility will interconnect, provide:

_____ _____

(Local Electric Service Provider*) (Existing Account Number*)

{*To be provided by Interconnection Customer if the local electric service provider is different from Transmission Provider}

Contact Name:

_____

Title:

_____

Address:

_____

_____

Telephone (Day): _____ Telephone (Evening):

_____

Fax: _____ E-Mail Address:

_____

Requested Point of Interconnection:

_____

_____

Interconnection Customer's Requested In-Service Date:

_____

Small Generating Facility Information

Data apply only to the Small Generating Facility, not the Interconnection Facilities.

Energy Source: ___Solar ___Wind ___Hydro ___Hydro Type (e.g. Run-of-River):_____Diesel __Natural Gas __Fuel Oil Other (state type)

_____

Prime Mover: ___Fuel Cell ___Recip Engine ____Gas Turb ____Steam Turb

___Microturbine __PV __Other

Type of Generator: ____Synchronous ____Induction _____Inverter

Generator Nameplate Rating: _____kW (Typical) Generator Nameplate kVAR: _____

Interconnection Customer or Customer-Site Load: _____kW (if none, so state)

Typical Reactive Load (if known): _____

Maximum Physical Export Capability Requested: _____kW

List components of the Small Generating Facility equipment package that are currently certified:

	Equipment Type	Certifying Entity
1.	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____

Is the prime mover compatible with the certified protective relay package? ___Yes ____No

Generator (or solar collector) Manufacturer, Model Name & Number: _____

Version Number: _____

Nameplate Output Power Rating in kW: (Summer) _____ (Winter) _____

Nameplate Output Power Rating in kVA: (Summer) _____(Winter) _____

Individual Generator Power Factor

Rated Power Factor: Leading: _____Lagging: _____

Total Number of Generators in wind farm to be interconnected pursuant to this Interconnection Request: _____ Elevation:_____ ___Single phase ___Three phase

Inverter Manufacturer, Model Name & Number (if used):_____

List of adjustable set points for the protective equipment or software:

_____

Note: A completed Power Systems Load Flow data sheet must be supplied with the Interconnection Request.

Small Generating Facility Characteristic Data (for inverter-based machines)

Max design fault contribution current: _____ Instantaneous or RMS_____?

Harmonics Characteristics:

_____

Start-up requirements:

_____

Small Generating Facility Characteristic Data (for rotating machines)

RPM Frequency: _____

(*) Neutral Grounding Resistor (If Applicable): _____

Synchronous Generators:

Direct Axis Synchronous Reactance, X_d: _____P.U.

Direct Axis Transient Reactance, X'_d: _____P.U.

Direct Axis Subtransient Reactance, X''_d: _____P.U.

Negative Sequence Reactance, X_2: _____P.U.

Zero Sequence Reactance, X_0: _____P.U.

KVA Base: _____

Field Volts: _____

Field Amperes: _____

Induction Generators:

Motoring Power (kW): _____

I22t or K (Heating Time Constant): _____

Rotor Resistance, Rr: _____

Stator Resistance, Rs: _____

Stator Reactance, Xs: _____

Rotor Reactance, Xr: _____

Magnetizing Reactance, Xm: _____

Short Circuit Reactance, Xd": _____

Exciting Current: _____

Temperature Rise: _____

Frame Size: _____

Design Letter: _____

Reactive Power Required In Vars (No Load): _____

Reactive Power Required In Vars (Full Load): _____

Total Rotating Inertia, H: _____ Per Unit on kVA

Base

Note: Please contact Transmission Provider prior to submitting the Interconnection Request to determine if the specified information above is required.

Excitation and Governor System Data for Synchronous Generators Only

Provide appropriate IEEE model block diagram of excitation system, governor system and power system stabilizer (PSS) in accordance with the regional reliability council criteria. A PSS may be determined to be required by applicable studies. A copy of the manufacturer's block diagram may not be substituted.

Models for Non-synchronous Small Generating Facilities

For a non-synchronous Small Generating Facility, Interconnection Customer shall provide (1) a validated user-defined root mean squared (RMS) positive sequence dynamics model; (2) an appropriately parameterized generic library RMS positive sequence dynamics model, including model block diagram of the inverter control and plant control systems, as defined by the selection in Table 1 or a model otherwise approved by the Western Electricity Coordinating Council, that corresponds to Interconnection Customer's Small Generating Facility; and (3) if applicable, a validated electromagnetic transient model if Transmission Provider performs an electromagnetic transient study as part of the interconnection study process. A user-defined model is a set of programming code created by equipment manufacturers or developers that captures the latest features of controllers that are mainly software based and represents the entities' control strategies but does not necessarily correspond to any generic library model. Interconnection Customer must also demonstrate that the model is validated by providing evidence that the equipment behavior is consistent with the model behavior (e.g., an attestation from Interconnection Customer that the model accurately represents the entire Small Generating Facility; attestations from each equipment manufacturer that the user defined model accurately represents the component of the Small Generating Facility; or test data).

Table 1: Acceptable Generic Library RMS Positive Sequence Dynamics Models

GE PSLF	Siemens PSS/E*	PowerWorld Simulator	Description
pvd1		PVD1	Distributed PV system model
der_a	DERAU1	DER_A	Distributed energy resource model
regc_a	REGCAU1, REGCA1	REGC_A	Generator/converter model
regc_b	REGCBU1	REGC_B	Generator/converter model
wt1g	WT1G1	WT1G and WT1G1	Wind turbine model for Type-1 wind turbines (conventional directly connected induction generator)

GE PSLF	Siemens PSS/E*	PowerWorld Simulator	Description
wt2g	WT2G1	WT2G and WT2G1	Generator model for generic Type-2 wind turbines
wt2e	WT2E1	WT2E and WT2E1	Rotor resistance control model for wound-rotor induction wind-turbine generator wt2g
reec_a	REECAU1, REECA1	REEC_A	Renewable energy electrical control model
reec_c	REECCU1	REEC_C	Electrical control model for battery energy storage system
reec_d	REECDU1	REEC_D	Renewable energy electrical control model
wt1t	WT12T1	WT1T and WT12T1	Wind turbine model for Type-1 wind turbines (conventional directly connected induction generator)
wt1p_b	wt1p_b	WT12A1U_B	Generic wind turbine pitch controller for WTGs of Types 1 and 2
wt2t	WT12T1	WT2T	Wind turbine model for Type-2 wind turbines (directly connected induction generator wind turbines with an external rotor resistance)
wtgt_a	WTDTAU1, WTDTA1	WTGT_A	Wind turbine drive train model
wtga_a	WTARAU1, WTARA1	WTGA_A	Simple aerodynamic model
wtgp_a	WTPTAU1, WTPTA1	WTGPT_A	Wind Turbine Generator Pitch controller
wtgq_a	WTTQAU1, WTTQA1	WTGTRQ_A	Wind Turbine Generator Torque controller
wtgwgo_a	WTGWGOAU	WTGWGO_A	Supplementary control model for Weak Grids
wtgibffr_a	WTGIBFFRA	WTGIBFFR_A	Inertial-base fast frequency response control
wtgp_b	WTPTBU1	WTGPT_B	Wind Turbine Generator Pitch controller
wtgt_b	WTDTBU1	WTGT_B	Drive train model

GE PSLF	Siemens PSS/E*	PowerWorld Simulator	Description
repc_a	Type 4: REPCAU1 (v33), REPCA1 (v34) Type 3: REPCTAU1 (v33), REPCTA1 (v34)	REPC_A	Power Plant Controller
repc_b	PLNTBU1	REPC_B	Power Plant Level Controller for controlling several plants/devices In regard to Siemens PSS/E*: Names of other models for interface with other devices: REA3XBU1, REAX4BU1- for interface with Type 3 and 4 renewable machines SWSAXBU1- for interface with SVC (modeled as switched shunt in powerflow) SYNAXBU1- for interface with synchronous condenser FCTAXBU1- for interface with FACTS device
repc_c	REPCCU	REPC_C	Power plant controller

Interconnection Facilities Information

Will a transformer be used between the generator and the point of common coupling?

___Yes ___No

Will the transformer be provided by Interconnection Customer? _____Yes ____No

Transformer Data (If Applicable, for Interconnection Customer-Owned Transformer):

Is the transformer: ____single phase _____three phase? Size: _____kVA

Transformer Impedance: _____% on _____kVA Base

If Three Phase:

Transformer Primary: _____Volts _____Delta _____Wye _____Wye

Grounded Transformer Secondary: _____Volts _____Delta _____Wye

Wye Grounded Transformer Tertiary: _____Volts _____Delta

Wye _____Wye Grounded

Transformer Fuse Data (If Applicable, for Interconnection Customer-Owned Fuse):

(Attach copy of fuse manufacturer's Minimum Melt and Total Clearing Time-Current Curves)

Manufacturer: _____Type: _____Size: _____Speed: _____

Interconnecting Circuit Breaker (if applicable):

Manufacturer: _____Type: _____

Load Rating (Amps): _____Interrupting Rating (Amps): _____Trip Speed (Cycles): _____

Interconnection Protective Relays (If Applicable):

If Microprocessor-Controlled:

List of Functions and Adjustable Setpoints for the protective equipment or software:

	Setpoint Function	Minimum	Maximum
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
5.	_____	_____	_____
6.	_____	_____	_____

If Discrete Components:

(Enclose Copy of any Proposed Time-Overcurrent Coordination Curves)

Manufacturer:_____	Type:_____	Style/Catalog No.:_____	Proposed Setting:_____
Manufacturer:_____	Type:_____	Style/Catalog No.:_____	Proposed Setting:_____
Manufacturer:_____	Type:_____	Style/Catalog No.:_____	Proposed Setting:_____
Manufacturer:_____	Type:_____	Style/Catalog No.:_____	Proposed Setting:_____
Manufacturer:_____	Type:_____	Style/Catalog No.:_____	Proposed Setting:_____

Current Transformer Data (If Applicable):

(Enclose Copy of Manufacturer's Excitation and Ratio Correction Curves)

Manufacturer:

_____

Type: _____ Accuracy Class: _____ Proposed Ratio Connection:

_____

Manufacturer:

_____

Type: _____ Accuracy Class: _____ Proposed Ratio Connection:

_____

Potential Transformer Data (If Applicable):

Manufacturer:

_____

Type: _____ Accuracy Class: _____ Proposed Ratio Connection: _____

Manufacturer: _____

Type: _____ Accuracy Class: _____ Proposed Ratio Connection: _____

General Information

Enclose copy of site electrical one-line diagram showing the configuration of all Small Generating Facility equipment, current and potential circuits, and protection and control schemes. This one-line diagram must be signed and stamped by a licensed Professional Engineer if the Small Generating Facility is larger than 50 kW. Is One-Line Diagram Enclosed? ____Yes ____No

Enclose copy of any site documentation that indicates the precise physical location of the proposed Small Generating Facility (e.g., USGS topographic map or other diagram or documentation).

Proposed location of protective interface equipment on property (include address if different from Interconnection Customer's address)_____

Enclose copy of any site documentation that describes and details the operation of the protection and control schemes. Is Available Documentation Enclosed? ___Yes ____No

Enclose copies of schematic drawings for all protection and control circuits, relay current circuits, relay potential circuits, and alarm/monitoring circuits (if applicable).

Are Schematic Drawings Enclosed? ___Yes ____No

Applicant Signature

I hereby certify that, to the best of my knowledge, all the information provided in this Interconnection Request is true and correct.

For Interconnection Customer: _____Date: _____

Attachment 3

Certification Codes and Standards

IEEE1547 Standard for Interconnecting Distributed Resources with Electric Power Systems (including use of IEEE 1547.1 testing protocols to establish conformity)

UL 1741 Inverters, Converters, and Controllers for Use in Independent Power Systems

IEEE Std 929-2000 IEEE Recommended Practice for Utility Interface of Photovoltaic (PV) Systems

NFPA 70 (2002), National Electrical Code

IEEE Std C37.90.1-1989 (R1994), IEEE Standard Surge Withstand Capability (SWC) Tests for Protective Relays and Relay Systems

IEEE Std C37.90.2 (1995), IEEE Standard Withstand Capability of Relay Systems to Radiated Electromagnetic Interference from Transceivers

IEEE Std C37.108-1989 (R2002), IEEE Guide for the Protection of Network Transformers

IEEE Std C57.12.44-2000, IEEE Standard Requirements for Secondary Network Protectors

IEEE Std C62.41.2-2002, IEEE Recommended Practice on Characterization of Surges in Low Voltage (1000V and Less) AC Power Circuits

IEEE Std C62.45-1992 (R2002), IEEE Recommended Practice on Surge Testing for Equipment Connected to Low-Voltage (1000V and Less) AC Power Circuits

ANSI C84.1-1995 Electric Power Systems and Equipment – Voltage Ratings (60 Hertz)

IEEE Std 100-2000, IEEE Standard Dictionary of Electrical and Electronic Terms

NEMA MG 1-1998, Motors and Small Resources, Revision 3

IEEE Std 519-1992, IEEE Recommended Practices and Requirements for Harmonic Control in Electrical Power Systems

NEMA MG 1-2003 (Rev 2004), Motors and Generators, Revision 1

Attachment 4

Certification of Small Generator Equipment Packages

1.0 Small Generating Facility equipment proposed for use separately or packaged with other equipment in an interconnection system shall be considered certified for interconnected operation if (1) it has been tested in accordance with industry standards for continuous utility interactive operation in compliance with the appropriate codes and standards referenced below by any Nationally Recognized Testing Laboratory (NRTL) recognized by the United States Occupational Safety and Health Administration to test and certify interconnection equipment pursuant to the relevant codes and standards listed in SGIP Attachment 3, (2) it has been labeled and is publicly listed by such NRTL at the time of the interconnection application, and (3) such NRTL makes readily available for verification all test standards and procedures it utilized in performing such equipment certification, and, with consumer approval, the test data itself. The NRTL may make such information available on its website and by encouraging such information to be included in the manufacturer's literature accompanying the equipment.

2.0 Interconnection Customer must verify that the intended use of the equipment falls within the use or uses for which the equipment was tested, labeled, and listed by the NRTL.

3.0 Certified equipment shall not require further type-test review, testing, or additional equipment to meet the requirements of this interconnection procedure; however, nothing herein shall preclude the need for an on-site commissioning test by the parties to the interconnection nor follow-up production testing by the NRTL.

4.0 If the certified equipment package includes only interface components (switchgear, inverters, or other interface devices), then an Interconnection Customer must show that the generator or other electric source being utilized with the equipment package is compatible with the equipment package and is consistent with the testing and listing specified for this type of interconnection equipment.

5.0 Provided the generator or electric source, when combined with the equipment package, is within the range of capabilities for which it was tested by the NRTL, and does not violate the interface components' labeling and listing performed by the NRTL, no further design review, testing or additional equipment on the

customer side of the point of common coupling shall be required to meet the requirements of this interconnection procedure.

6.0 An equipment package does not include equipment provided by the utility.

7.0 Any equipment package approved and listed in a state by that state's regulatory body for interconnected operation in that state prior to the effective date of these small generator interconnection procedures shall be considered certified under these procedures for use in that state.

Attachment 5

Application, Procedures, and Terms and Conditions for Interconnecting a Certified Inverter-Based Small Generating Facility No Larger than 10 kW ("10 kW Inverter Process")

1.0 Interconnection Customer ("Customer") completes the Interconnection Request ("Application") and submits it to Transmission Provider ("Company").

2.0 The Company acknowledges to the Customer receipt of the Application within three (3) Business Days of receipt.

3.0 The Company evaluates the Application for completeness and notifies the Customer within ten (10) Business Days of receipt that the Application is or is not complete and, if not, advises what material is missing.

4.0 The Company verifies that the Small Generating Facility can be interconnected safely and reliably using the screens contained in the Fast Track Process in the Small Generator Interconnection Procedures (SGIP). The Company has fifteen (15) Business Days to complete this process. Unless the Company determines and demonstrates that the Small Generating Facility cannot be interconnected safely and reliably, the Company approves the Application and returns it to the Customer. Note to Customer: Please check with the Company before submitting the Application if disconnection equipment is required.

5.0 After installation, the Customer returns the Certificate of Completion to the Company. Prior to parallel operation, the Company may inspect the Small Generating Facility for compliance with standards which may include a witness test, and may schedule appropriate metering replacement, if necessary.

6.0 The Company notifies the Customer in writing that interconnection of the Small Generating Facility is authorized. If the witness test is not satisfactory, the Company has the right to disconnect the Small Generating Facility. The Customer has no right to operate in parallel until a witness test has been performed, or previously waived on the Application. The Company is obligated to complete this witness test within ten (10) Business Days of the receipt of the Certificate of

Completion. If the Company does not inspect within ten (10) Business Days or by mutual agreement of the Parties, the witness test is deemed waived.

7.0 Contact Information – The Customer must provide the contact information for the legal applicant (i.e., Interconnection Customer). If another entity is responsible for interfacing with the Company, that contact information must be provided on the Application.

8.0 Ownership Information – Enter the legal names of the owner(s) of the Small Generating Facility. Include the percentage ownership (if any) by any utility or public utility holding company, or by any entity owned by either.

9.0 UL1741 Listed – This standard ("Inverters, Converters, and Controllers for Use in Independent Power Systems") addresses the electrical interconnection design of various forms of generating equipment. Many manufacturers submit their equipment to a Nationally Recognized Testing Laboratory (NRTL) that verifies compliance with UL1741. This "listing" is then marked on the equipment and supporting documentation.

Application for Interconnecting a Certified Inverter-Based Small Generating Facility No Larger than 10kW

This Application is considered complete when it provides all applicable and correct information required below. Per SGIP section 1.5, documentation of site control must be submitted with the Interconnection Request. Additional information to evaluate the Application may be required.

Processing Fee

A non-refundable processing fee of $100 must accompany this Application.

Interconnection Customer

Name:

_____

Contact Person:

_____

Address:

_____

City: _____ State: _____ Zip: _____

Telephone (Day): _____ (Evening): _____

Fax: _____ E-Mail Address: _____

Contact (if different from Interconnection Customer)

Name:

_____

Contact Person:

_____

Address:

_____

City: _____ State: _____ Zip: _____

Telephone (Day): _____ (Evening): _____

Fax: _____ E-Mail Address: _____

Owner of the facility (include % ownership by any electric utility):

_____

_____Small Generating Facility Information

Location (if different from above):

_____

Electric Service Company:

_____

Account Number:

_____

Inverter Manufacturer: _____ Model: _____ Nameplate Rating:_____(kW) _____(kVA) _____(AC Volts)

Single Phase _____ Three Phase_____

System Design Capacity: _____(kW) _____(kVA)

Prime Mover: ___Photovoltaic __Reciprocating Engine __Fuel Cell

___Turbine ___Other (describe)_____

Energy Source: ___Solar __Wind __Hydro __Diesel __Natural Gas

___Fuel Oil __Other (describe) _____

Is the equipment UL1741 Listed? ___Yes ___No

If Yes, attach manufacturer's cut-sheet showing UL1741 listing

Estimated Installation Date: _____ Estimated In-Service Date: _____

The 10 kW Inverter Process is available only for inverter-based Small Generating Facilities no larger than 10 kW that meet the codes, standards, and certification requirements of Attachments 3 and 4 of the Small Generator Interconnection Procedures (SGIP), or Transmission Provider has reviewed the design or tested the proposed Small Generating Facility and is satisfied that it is safe to operate.

List components of the Small Generating Facility equipment package that are currently certified:

	Equipment Type	Certifying Entity
1.	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____

Interconnection Customer Signature

I hereby certify that, to the best of my knowledge, the information provided in this Application is true. I agree to abide by the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW and return the Certificate of Completion when the Small Generating Facility has been installed.

Signed:

_____

Title: _____ Date:

_____

……

Contingent Approval to Interconnect the Small Generating Facility

(For Company use only)

Interconnection of the Small Generating Facility is approved contingent upon the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW and return of the Certificate of Completion.

Company Signature:

_____

Title: _____ Date:

_____

Application ID number: _____

Company waives inspection/witness test? Yes ___No____

Small Generating Facility Certificate of Completion

Is the Small Generating Facility owner-installed? Yes_____No _____

Interconnection Customer:

_____

Contact Person:

_____

Address:

_____

Location of the Small Generating Facility (if different from above):

_____

_____

_____City: _____ State: _____ Zip:

_____

Telephone (Day): _____ (Evening): _____

Fax: _____ E-Mail Address: _____

Electrician:

Name:

_____

Address:

_____

Location of the Small Generating Facility (if different from above):

_____

_____

_____City: _____ State: _____ Zip:

_____

Telephone (Day): _____ (Evening): _____

Fax: _____ E-Mail Address: _____

License number: _____

Date Approval to Install Facility granted by the Company: _____

Application ID number: _____

Inspection:

The Small Generating Facility has been installed and inspected in compliance with the local

building/electrical code of:

_____

Signed (Local electrical wiring inspector, or attach signed electrical inspection):

_____

Print Name: _____

Date: _____

As a condition of interconnection, you are required to send/fax a copy of this form along with a copy of the signed electrical permit to (insert Company information below):

Name: _____

Company: _____

Address:_____

_____

City, State ZIP: _____

Fax: _____

……
……

Approval to Energize the Small Generating Facility (For Company use only)

Energizing the Small Generating Facility is approved contingent upon the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW

Company Signature: _____

Title: _____ Date: _____

Terms and Conditions for Interconnecting an Inverter-Based

Small Generating Facility No Larger than 10kW

1.0 Construction of the Facility

Interconnection Customer (the "Customer") may proceed to construct (including operational testing not to exceed two hours) the Small Generating Facility when Transmission Provider (the "Company") approves the Interconnection Request (the "Application") and returns it to the Customer.

2.0 Interconnection and Operation

The Customer may operate Small Generating Facility and interconnect with the Company's electric system once all of the following have occurred:

2.1 Upon completing construction, the Customer will cause the Small Generating Facility to be inspected or otherwise certified by the appropriate local electrical wiring inspector with jurisdiction, and

2.2 The Customer returns the Certificate of Completion to the Company, and

2.3 The Company has either:

2.3.1 Completed its inspection of the Small Generating Facility to ensure that all equipment has been appropriately installed and that all electrical connections have been made in accordance with applicable codes. All inspections must be conducted by the Company, at its own expense, within ten (10) Business Days after receipt of the Certificate of Completion and shall take place at a time agreeable to the Parties. The Company shall provide a written statement that the Small Generating Facility has passed inspection or shall notify the Customer of what steps it must take to pass inspection as soon as practicable after the inspection takes place; or

2.3.2 If the Company does not schedule an inspection of the Small Generating Facility within ten (10) Business Days after receiving the Certificate of Completion, the witness test is deemed waived (unless the Parties agree otherwise); or

2.3.3 The Company waives the right to inspect the Small Generating Facility.

2.4 The Company has the right to disconnect the Small Generating Facility in the event of improper installation or failure to return the Certificate of Completion.

2.5 Revenue quality metering equipment must be installed and tested in accordance with applicable ANSI standards.

3.0 Safe Operations and Maintenance

The Customer shall be fully responsible to operate, maintain, and repair the Small Generating Facility as required to ensure that it complies at all times with the interconnection standards to which it has been certified.

4.0 Access

The Company shall have access to the disconnect switch (if the disconnect switch is required) and metering equipment of the Small Generating Facility at all times. The Company shall provide reasonable notice to the Customer when possible prior to using its right of access.

5.0 Disconnection

The Company may temporarily disconnect the Small Generating Facility upon the following conditions:

5.1 For scheduled outages upon reasonable notice.

5.2 For unscheduled outages or emergency conditions.

5.3 If the Small Generating Facility does not operate in the manner consistent with these Terms and Conditions.

5.4 The Company shall inform the Customer in advance of any scheduled disconnection, or as is reasonable after an unscheduled disconnection.

6.0 Indemnification

The Parties shall at all times indemnify, defend, and save the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under this agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

7.0 Insurance

The Parties agree to follow all applicable insurance requirements imposed by the state in which the Point of Interconnection is located. All insurance policies must be maintained with insurers authorized to do business in that state.

8.0 Limitation of Liability

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 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, incidental, special, consequential, or punitive damages of any kind whatsoever, except as allowed under paragraph 6.0.

9.0 Termination

The agreement to operate in parallel may be terminated under the following conditions:

9.1 By the Customer

By providing written notice to the Company.

9.2 By the Company

If the Small Generating Facility fails to operate for any consecutive 12 month period or the Customer fails to remedy a violation of these Terms and Conditions.

9.3 Permanent Disconnection

In the event this Agreement is terminated, the Company shall have the right to disconnect its facilities or direct the Customer to disconnect its Small Generating Facility.

9.4 Survival Rights

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.

10.0 Assignment/Transfer of Ownership of the Facility

This Agreement shall survive the transfer of ownership of the Small Generating Facility to a new owner when the new owner agrees in writing to comply with the terms of this Agreement and so notifies the Company.

Attachment 6

Feasibility Study Agreement

THIS AGREEMENT is made and entered into this _____day of _____ 20____by and between_____, a _____organized and existing under the laws of the State of _____, ("Interconnection Customer,") and _____, a_____ organized and existing under the laws of the State of_____, ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by Interconnection Customer on_____; and

WHEREAS, Interconnection Customer desires to interconnect the Small Generating Facility with Transmission Provider's Transmission System; and

WHEREAS, Interconnection Customer has requested Transmission Provider to perform a feasibility study to assess the feasibility of interconnecting the proposed Small Generating Facility with Transmission Provider's Transmission System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.

2.0 Interconnection Customer elects and Transmission Provider shall cause to be performed an interconnection feasibility study consistent the standard Small

Generator Interconnection Procedures in accordance with the Open Access Transmission Tariff.

3.0 The scope of the feasibility study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The feasibility study shall be based on the technical information provided by Interconnection Customer in the Interconnection Request, as may be modified as the result of the scoping meeting. Transmission Provider reserves the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the feasibility study and as designated in accordance with the standard Small Generator Interconnection Procedures. If Interconnection Customer modifies its Interconnection Request, the time to complete the feasibility study may be extended by agreement of the Parties.

5.0 In performing the study, Transmission Provider shall rely, to the extent reasonably practicable, on existing studies of recent vintage. Interconnection Customer shall not be charged for such existing studies; however, Interconnection Customer shall be responsible for charges associated with any new study or modifications to existing studies that are reasonably necessary to perform the feasibility study.

6.0 The feasibility study report shall provide the following analyses for the purpose of identifying any potential adverse system impacts that would result from the interconnection of the Small Generating Facility as proposed:

6.1 Initial identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;

6.2 Initial identification of any thermal overload or voltage limit violations resulting from the interconnection;

6.3 Initial review of grounding requirements and electric system protection; and

6.4 Description and non-binding estimated cost of facilities required to interconnect the proposed Small Generating Facility and to address the identified short circuit and power flow issues.

7.0 The feasibility study shall model the impact of the Small Generating Facility regardless of purpose in order to avoid the further expense and interruption of operation for reexamination of feasibility and impacts if Interconnection Customer later changes the purpose for which the Small Generating Facility is being installed.

8.0 The study shall include the feasibility of any interconnection at a proposed project site where there could be multiple potential Points of Interconnection, as requested by Interconnection Customer and at Interconnection Customer's cost.

9.0 A deposit of the lesser of 50 percent of good faith estimated feasibility study costs or earnest money of $1,000 may be required from Interconnection Customer.

10.0 Once the feasibility study is completed, a feasibility study report shall be prepared and transmitted to Interconnection Customer. Barring unusual circumstances, the feasibility study must be completed and the feasibility study report transmitted within thirty (30) Business Days of Interconnection Customer's agreement to conduct a feasibility study.

11.0 Any study fees shall be based on Transmission Provider's actual costs and will be invoiced to Interconnection Customer after the study is completed and delivered and will include a summary of professional time.

12.0 Interconnection Customer must pay any study costs that exceed the deposit without interest within thirty (30) Calendar Days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, Transmission Provider shall refund such excess within thirty (30) Calendar Days of the invoice without interest.

13.0 Governing Law, Regulatory Authority, and Rules

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of _____ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations.

Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

14.0 Amendment

The Parties may amend this Agreement by a written instrument duly executed by both Parties.

15.0 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

16.0 Waiver

16.1 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.

16.2 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 other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of Interconnection Customer's legal rights to obtain an interconnection from Transmission Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

17.0 Multiple Counterparts

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

18.0 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any

partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

19.0 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, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

20.0 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 to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

20.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Transmission Provider be liable for the actions or inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

20.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

21.0 Reservation of Rights

Transmission Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

{Insert name of Transmission Provider}	{Insert name of Interconnection Customer}
_____	_____
Signed: _____	Signed: _____
Name (Printed):	Name (Printed):
_____	_____
Title: _____	Title: _____

Attachment A to

Feasibility Study Agreement

Assumptions Used in Conducting the Feasibility Study

The feasibility study will be based upon the information set forth in the Interconnection Request and agreed upon in the scoping meeting held on _____:

1) Designation of Point of Interconnection and configuration to be studied.

2) Designation of alternative Points of Interconnection and configuration.

1) and 2) are to be completed by the Interconnection Customer. Other assumptions (listed below) are to be provided by Interconnection Customer and Transmission Provider.

Attachment 7

System Impact Study Agreement

THIS AGREEMENT is made and entered into this _____day of_____

20____by and between_____,

a_____organized and existing under the laws of the State of

_____, ("Interconnection Customer,") and

_____, a_____

organized and existing under the laws of the State
of_____,

("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by Interconnection Customer on__; and

WHEREAS, Interconnection Customer desires to interconnect the Small Generating Facility with Transmission Provider's Transmission System;

WHEREAS, Transmission Provider has completed a feasibility study and provided the results of said study to Interconnection Customer (This recital to be omitted if the Parties have agreed to forego the feasibility study.); and

WHEREAS, Interconnection Customer has requested Transmission Provider to perform a system impact study(s) to assess the impact of interconnecting the Small Generating Facility with Transmission Provider's Transmission System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.

2.0 Interconnection Customer elects and Transmission Provider shall cause to be performed a system impact study(s) consistent with the standard Small Generator Interconnection Procedures in accordance with the Open Access Transmission Tariff.

3.0 The scope of a system impact study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 A system impact study will be based upon the results of the feasibility study and the technical information provided by Interconnection Customer in the Interconnection Request. Transmission Provider reserves the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the system impact study. If Interconnection Customer modifies its designated Point of Interconnection, Interconnection Request, or the technical information provided therein is modified, the time to complete the system impact study may be extended.

5.0 A system impact study shall consist of a short circuit analysis, a stability analysis, a power flow analysis, voltage drop and flicker studies, protection and set point coordination studies, and grounding reviews, as necessary. A system impact study shall state the assumptions upon which it is based, state the results of the analyses, and provide the requirement or potential impediments to providing the requested interconnection service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. A system impact study shall provide a list of facilities that are required as a result of the Interconnection Request and non-binding good faith estimates of cost responsibility and time to construct.

6.0 A distribution system impact study shall incorporate a distribution load flow study, an analysis of equipment interrupting ratings, protection coordination study, voltage drop and flicker studies, protection and set point coordination studies, grounding reviews, and the impact on electric system operation, as necessary.

7.0 Affected Systems may participate in the preparation of a system impact study, with a division of costs among such entities as they may agree. All Affected Systems shall be afforded an opportunity to review and comment upon a system impact study that covers potential adverse system impacts on their electric

systems, and Transmission Provider has twenty (20) additional Business Days to complete a system impact study requiring review by Affected Systems.

8.0 If Transmission Provider uses a queuing procedure for sorting or prioritizing projects and their associated cost responsibilities for any required Network Upgrades, the system impact study shall consider all generating facilities (and with respect to paragraph 8.3 below, any identified Upgrades associated with such higher queued interconnection) that, on the date the system impact study is commenced –

8.1 Are directly interconnected with Transmission Provider's electric system; or

8.2 Are interconnected with Affected Systems and may have an impact on the proposed interconnection; and

8.3 Have a pending higher queued Interconnection Request to interconnect with Transmission Provider's electric system.

9.0 A distribution system impact study, if required, shall be completed and the results transmitted to Interconnection Customer within thirty (30) Business Days after this Agreement is signed by the Parties. A transmission system impact study, if required, shall be completed and the results transmitted to Interconnection Customer within forty-five (45) Business Days after this Agreement is signed by the Parties, or in accordance with Transmission Provider's queuing procedures.

10.0 A deposit of the equivalent of the good faith estimated cost of a distribution system impact study and the one half the good faith estimated cost of a transmission system impact study may be required from Interconnection Customer.

11.0 Any study fees shall be based on Transmission Provider's actual costs and will be invoiced to Interconnection Customer after the study is completed and delivered and will include a summary of professional time.

12.0 Interconnection Customer must pay any study costs that exceed the deposit without interest within thirty (30) Calendar Days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, Transmission Provider shall refund such excess within thirty (30) Calendar Days of the invoice without interest.

13.0 Governing Law, Regulatory Authority, and Rules

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of _____ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

14.0 Amendment

The Parties may amend this Agreement by a written instrument duly executed by both Parties.

15.0 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

16.0 Waiver

16.1 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.

16.2 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 other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of Interconnection Customer's legal rights to obtain an interconnection from Transmission Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

17.0 Multiple Counterparts

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

18.0 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

19.0 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, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

20.0 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 to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

20.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Transmission Provider be liable for the actions or inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

20.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

21.0 Reservation of Rights

Transmission Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable

provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

{Insert name of Transmission Provider}	{Insert name of Interconnection Customer}
_____	_____
Signed: _____	Signed: _____
Name (Printed):	Name (Printed):
_____	_____
Title: _____	Title: _____

Attachment A to System

Impact Study Agreement

Assumptions Used in Conducting the System Impact Study

The system impact study shall be based upon the results of the feasibility study, subject to any modifications in accordance with the standard Small Generator Interconnection Procedures, and the following assumptions:

1) Designation of Point of Interconnection and configuration to be studied.

2) Designation of alternative Points of Interconnection and configuration.

1) and 2) are to be completed by Interconnection Customer. Other assumptions (listed below) are to be provided by Interconnection Customer and Transmission Provider.

Attachment 8

Facilities Study Agreement

THIS AGREEMENT is made and entered into this _____day of_____

20____by and between_____,

a _____organized and existing under the laws of the State of

_____, ("Interconnection Customer,") and

_____, a_____

organized and existing under the laws of the State
of_____,

("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by Interconnection Customer on__; and

WHEREAS, Interconnection Customer desires to interconnect the Small Generating Facility with Transmission Provider's Transmission System;

WHEREAS, Transmission Provider has completed a system impact study and provided the results of said study to Interconnection Customer; and

WHEREAS, Interconnection Customer has requested Transmission Provider to perform a facilities study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the system impact study in accordance with Good Utility Practice to physically and electrically connect the Small Generating Facility with Transmission Provider's Transmission System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.

2.0 Interconnection Customer elects and Transmission Provider shall cause a facilities study consistent with the standard Small Generator Interconnection Procedures to be performed in accordance with the Open Access Transmission Tariff.

3.0 The scope of the facilities study shall be subject to data provided in Attachment A to this Agreement.

4.0 The facilities study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the system impact study(s). The facilities study shall also identify (1) the electrical switching configuration of the equipment, including, without limitation, transformer, switchgear, meters, and other station equipment, (2) the nature and estimated cost of Transmission Provider's Interconnection Facilities and Upgrades necessary to accomplish the interconnection, and (3) an estimate of the time required to complete the construction and installation of such facilities.

5.0 Transmission Provider may propose to group facilities required for more than one Interconnection Customer in order to minimize facilities costs through economies of scale, but any Interconnection Customer may require the installation of facilities required for its own Small Generating Facility if it is willing to pay the costs of those facilities.

6.0 A deposit of the good faith estimated facilities study costs may be required from Interconnection Customer.

7.0 In cases where Upgrades are required, the facilities study must be completed within forty-five (45) Business Days of the receipt of this Agreement. In cases where no Upgrades are necessary, and the required facilities are limited to Interconnection Facilities, the facilities study must be completed within thirty (30) Business Days.

8.0 Once the facilities study is completed, a "draft" facilities study report shall be prepared and transmitted to Interconnection Customer. Barring unusual

circumstances, the facilities study must be completed and the "draft" facilities study report transmitted within thirty (30) Business Days of Interconnection Customer's agreement to conduct a facilities study.

9.0 Interconnection Customer may, within thirty (30) Calendar Days after receipt of the draft report, provide written comments to Transmission Provider, which Transmission Provider shall include in the final report. Transmission Provider shall issue the final Interconnection Facilities Study report within fifteen (15) Business Days of receiving Interconnection Customer's comments or promptly upon receiving Interconnection Customer's statement that it will not provide comments. Transmission Provider may reasonably extend such fifteen-day period upon notice to Interconnection Customer if Interconnection Customer's comments require Transmission Provider to perform additional analyses or make other significant modifications prior to the issuance of the final Interconnection Facilities Report. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation, workpapers, and databases or data developed in the preparation of the Interconnection Facilities Study, subject to confidentiality arrangements consistent with Section 4.5 of the standard Small Generator Interconnection Procedures.

10.0 Within ten (10) Business Days of providing a draft Interconnection Facilities Study report to Interconnection Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Interconnection Facilities Study.

11.0 Any study fees shall be based on Transmission Provider's actual costs and will be invoiced to Interconnection Customer after the study is completed and delivered and will include a summary of professional time.

12.0 Interconnection Customer must pay any study costs that exceed the deposit without interest within thirty (30) Calendar Days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, Transmission Provider shall refund such excess within thirty (30) Calendar Days of the invoice without interest.

13.0 Governing Law, Regulatory Authority, and Rules

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of _____ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

14.0 Amendment

The Parties may amend this Agreement by a written instrument duly executed by both Parties.

15.0 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

16.0 Waiver

16.1 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.

16.2 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 other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of Interconnection Customer's legal rights to obtain an interconnection from Transmission Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

17.0 Multiple Counterparts

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

18.0 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

19.0 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, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

20.0 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 to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

20.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Transmission Provider be liable for the actions or inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

20.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

21.0 Reservation of Rights

Transmission Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

{Insert name of Transmission Provider}	{Insert name of Interconnection Customer}
_____	_____
Signed_____	Signed_____
Name (Printed):	Name (Printed):
_____	_____
Title_____	Title_____

Attachment A to

Facilities Study Agreement

Data to Be Provided by Interconnection Customer with the

Facilities Study Agreement

Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

On the one-line diagram, indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)

On the one-line diagram, indicate the location of auxiliary power. (Minimum load on CT/PT) Amps

One set of metering is required for each generation connection to the new ring bus or existing Transmission Provider station. Number of generation connections:

_____

Will an alternate source of auxiliary power be available during CT/PT maintenance?

Yes ____ No ____

Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? Yes ____ No ____

(Please indicate on the one-line diagram).

What type of control system or PLC will be located at the Small Generating Facility?

_____

_____

_____

_____

What protocol does the control system or PLC use?

_____

_____

Please provide a 7.5-minute quadrangle map of the site. Indicate the plant, station, transmission line, and property lines.

Physical dimensions of the proposed interconnection station:

_____Bus length from generation to interconnection station:

_____Line length from interconnection station to Transmission Provider's Transmission System.

_____Tower number observed in the field. (Painted on tower leg)*:

_____Number of third party easements required for transmission lines*:

_____ * To be completed in coordination with Transmission Provider.

Is the Small Generating Facility located in Transmission Provider's service area?

Yes _____ No _____ If No, please provide name of local provider:

_____

Please provide the following proposed schedule dates:

Begin Construction Date: _____

Generator step-up transformers Date: _____

receive back feed power

Generation Testing Date: _____

Commercial Operation Date: _____

SMALL GENERATOR
INTERCONNECTION AGREEMENT (SGIA)

(For Generating Facilities No Larger Than 20 MW)

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This Interconnection Agreement ("Agreement") is made and entered into this _____ day of _____, 20_, by

_____

("Transmission Provider"), and

_____

("Interconnection Customer") each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties."

Transmission Provider Information

Transmission Provider: _____

Attention: _____

Address: _____

City: _____State: _____Zip: _____

Phone: _____ Fax: _____

Interconnection Customer Information

Interconnection Customer: _____

Attention: _____

Address: _____

City: _____State: _____Zip: _____

Phone: _____ Fax: _____

Interconnection Customer Application No: _____

In consideration of the mutual covenants set forth herein, the Parties agree as follows:

Article 1. Scope and Limitations of Agreement

1.1 Applicability
This Agreement shall be used for all Interconnection Requests submitted under the Small Generator Interconnection Procedures (SGIP) except for those submitted under the 10 kW Inverter Process contained in SGIP Attachment 5.

1.2 Purpose
This Agreement governs the terms and conditions under which Interconnection Customer's Small Generating Facility will interconnect with, and operate in parallel with, Transmission Provider's Transmission System.

1.3 No Agreement to Purchase or Deliver Power
This Agreement does not constitute an agreement to purchase or deliver Interconnection Customer's power. The purchase or delivery of power and other services that Interconnection Customer may require will be covered under separate agreements, if any. Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity with the applicable Transmission Provider.

1.4 Limitations
Nothing in this Agreement is intended to affect any other agreement between Transmission Provider and Interconnection Customer.

1.5 Responsibilities of the Parties

1.5.1 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.

1.5.2 Interconnection Customer shall construct, interconnect, operate and maintain its Small Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, and in accordance with this Agreement, and with Good Utility Practice.

1.5.3 Transmission Provider shall construct, operate, and maintain its Transmission System and Interconnection Facilities in accordance with this Agreement, and with Good Utility Practice.

1.5.4 Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. Interconnection Customer agrees to design, install, maintain, and operate its Small Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of Transmission Provider and any Affected Systems.

1.5.5 Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the Attachments to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the point of change of ownership. Transmission Provider and Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect Transmission Provider’s Transmission System, personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.

1.5.6 Transmission Provider shall coordinate with all Affected Systems to support the interconnection.

1.5.7 Interconnection Customer shall ensure "frequency ride through" capability and "voltage ride through" capability of its Small Generating Facility. Interconnection Customer shall enable these capabilities such that its Small Generating Facility shall not disconnect automatically or instantaneously from the system or equipment of Transmission Provider and any Affected Systems for a defined under-frequency or over- frequency condition, or an under-voltage or over-voltage condition, as tested pursuant to Section 2.1 of this agreement. The defined conditions shall be in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority Area on a comparable basis. The Small Generating Facility's protective equipment settings shall comply with Transmission Provider's automatic load-shed program. Transmission Provider shall review the protective equipment settings to confirm compliance with the automatic load-shed program. The term "ride through" as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the system or equipment of Transmission Provider and any Affected Systems during system disturbances within a range of conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority Area on a comparable basis. The term "frequency ride through" as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the system or equipment of Transmission Provider and any Affected Systems during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority Area on a comparable basis. The term "voltage ride through" as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the system or equipment of Transmission Provider and any Affected Systems during system disturbances within a range of under-voltage and over-voltage conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to

other generating facilities in the Balancing Authority Area on a comparable basis. For abnormal frequency conditions and voltage conditions within the "no trip zone" defined by Reliability Standard PRC-024-3 or successor mandatory ride through Applicable Reliability Standards, the non-synchronous Small Generating Facility must ensure that, within any physical limitations of the Small Generating Facility, its control and protection settings are configured or set to (1) continue active power production during disturbance and post disturbance periods at pre-disturbance levels unless reactive power priority mode is enabled or unless providing primary frequency response or fast frequency response; (2) minimize reductions in active power and remain within dynamic voltage and current limits, if reactive power priority mode is enabled, unless providing primary frequency response or fast frequency response; (3) not artificially limit dynamic reactive power capability during disturbances; and (4) return to pre-disturbance active power levels without artificial ramp rate limits if active power is reduced, unless providing primary frequency response or fast frequency response.

1.6 Parallel Operation Obligations

Once the Small Generating Facility has been authorized to commence parallel operation, Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Small Generating Facility in the applicable Balancing Authority Area, including, but not limited to; 1) the rules and procedures concerning the operation of generation set forth in the Tariff or by the applicable system operator(s) for Transmission Provider's Transmission System and; 2) the Operating Requirements set forth in Attachment 5 of this Agreement.

1.7 Metering

Interconnection Customer shall be responsible for Transmission Provider's reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Attachments 2 and 3 of this Agreement. Interconnection Customer's metering (and data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.

1.8 Reactive Power and Primary Frequency Response

1.8.1 Power Factor Design Criteria

1.8.1.1 Synchronous Generation. Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless Transmission Provider has established different requirements that apply to all similarly situated synchronous generators in the Balancing Authority Area on a comparable basis.

1.8.1.2 Non-Synchronous Generation. Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation at a power factor within the range of 0.95 leading to 0.95 lagging, unless Transmission Provider has established a different power factor range that applies to all similarly situated non-synchronous generators in the Balancing Authority Area on a comparable basis. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors, or a combination of the two. This requirement shall only apply to newly interconnecting non-synchronous generators that have not yet executed a Facilities Study Agreement as of the effective date of the Final Rule establishing this requirement (Order No. 827).

1.8.2 Transmission Provider is required to pay [the] Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Small Generating Facility when [the] Transmission Provider requests Interconnection Customer to operate its Small Generating Facility outside the range specified in Article 1.8.1.

1.8.3 Payments shall be in accordance with Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to a regional transmission organization or independent system operator FERC-approved rate schedule. To the extent that no rate schedule is in effect at the time Interconnection Customer is required to provide or absorb reactive power under this Agreement, the Parties agree to expeditiously file such rate schedule and agree to support any request for waiver of the Commission's prior notice requirement in order to compensate Interconnection Customer from the time service commenced.

1.8.4 Primary Frequency Response. Interconnection Customer shall ensure the primary frequency response capability of its Small Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term "functioning governor or equivalent controls" as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Small Generating Facility's real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop and ±0.036 Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from an approved Electric Reliability Organization reliability standard providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Small Generating Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based *on* an approved Electric Reliability Organization reliability standard providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Small Generating Facility's real power output in response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected change in the Small Generating Facility's real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with an approved Electric Reliability Organization reliability standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify Transmission Provider that the

primary frequency response capability of the Small Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Small Generating Facility with the Transmission System, Interconnection Customer shall operate the Small Generating Facility consistent with the provisions specified in Sections 1.8.4.1 and 1.8.4.2 of this Agreement. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Small Generating Facilities.

1.8.4.1 Governor or Equivalent Controls. Whenever the Small Generating Facility is operated in parallel with the Transmission System, Interconnection Customer shall operate the Small Generating Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall: (1) in coordination with Transmission Provider and/or the relevant Balancing Authority, set the deadband parameter to: (1) a maximum of ±0.036 Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop and deadband settings from an approved Electric Reliability Organization reliability standard that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to Transmission Provider and/or the relevant Balancing Authority upon request. If Interconnection Customer needs to operate the Small Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify Transmission Provider and the relevant Balancing Authority, and provide both with the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to keep outages of the Small Generating Facility's governor or equivalent controls to a minimum whenever the Small Generating Facility is operated in parallel with the Transmission System.

1.8.4.2 Timely and Sustained Response. Interconnection Customer shall ensure that the Small Generating Facility's real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Small Generating Facility has operating

capability in the direction needed to correct the frequency deviation. Interconnection Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Small Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. A Commission-approved Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

1.8.4.3 Exemptions. Small Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Sections 1.8.4, 1.8.4.1, and 1.8.4.2 of this Agreement. Small Generating Facilities that are behind the meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in Section 1.8.4, but shall be otherwise exempt from the operating requirements in Sections 1.8.4, 1.8.4.1, 1.8.4.2, and 1.8.4.4 of this Agreement.

1.8.4.4 Electric Storage Resources. Interconnection Customer interconnecting an electric storage resource shall establish an operating range in Attachment 5 of its SGIA that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Sections 1.8.4, 1.8.4.1, 1.8.4.2 and 1.8.4.3 of this Agreement. Attachment 5 shall specify whether the operating range is static or dynamic, and shall consider: (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by Transmission Provider and Interconnection Customer, and in consultation with the relevant transmission owner or Balancing Authority as appropriate. If the operating range is dynamic, then Attachment 5 must establish how frequently the operating range will be reevaluated and the

factors that may be considered during its reevaluation.

Interconnection Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with Section 1.8.4.2 of this Agreement when it is online and dispatched to inject electricity to the Transmission System and/or receive electricity from the Transmission System. This excludes circumstances when the electric storage resource is not dispatched to inject electricity to the Transmission System and/or dispatched to receive electricity from the Transmission System. If Interconnection Customer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Interconnection Customer's electric storage resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

1.9 Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of this Agreement.

Article 2. Inspection, Testing, Authorization, and Right of Access

2.1 Equipment Testing and Inspection

2.1.1 Interconnection Customer shall test and inspect its Small Generating Facility and Interconnection Facilities prior to interconnection. Interconnection Customer shall notify Transmission Provider of such activities no fewer than five (5) Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day. Transmission Provider may, at its own expense, send qualified personnel to the Small Generating Facility site to inspect the interconnection and observe the testing. Interconnection Customer shall provide Transmission Provider a written test report when such testing and inspection is completed.

2.1.2 Transmission Provider shall provide Interconnection Customer written

acknowledgment that it has received Interconnection Customer's written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by Transmission Provider of the safety, durability, suitability, or reliability of the Small Generating Facility or any associated control, protective, and safety devices owned or controlled by Interconnection Customer or the quality of power produced by the Small Generating Facility.

2.2 Authorization Required Prior to Parallel Operation

2.2.1 Transmission Provider shall use Reasonable Efforts to list applicable parallel operation requirements in Attachment 5 of this Agreement. Additionally, Transmission Provider shall notify Interconnection Customer of any changes to these requirements as soon as they are known. Transmission Provider shall make Reasonable Efforts to cooperate with Interconnection Customer in meeting requirements necessary for Interconnection Customer to commence parallel operations by the in-service date.

2.2.2 Interconnection Customer shall not operate its Small Generating Facility in parallel with Transmission Provider's Transmission System without prior written authorization of Transmission Provider. Transmission Provider will provide such authorization once Transmission Provider receives notification that Interconnection Customer has complied with all applicable parallel operation requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

2.3 Right of Access

2.3.1 Upon reasonable notice, Transmission Provider may send a qualified person to the premises of Interconnection Customer at or immediately before the time the Small Generating Facility first produces energy to inspect the interconnection and observe the commissioning of the Small Generating Facility (including any required testing), startup, and operation for a period of up to three (3) Business Days after initial start-up of the unit. In addition, Interconnection Customer shall notify Transmission Provider at least five (5) Business Days prior to conducting any on-site verification testing of the Small Generating Facility.

2.3.2 Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, Transmission Provider shall have access to Interconnection Customer's premises for any reasonable purpose in connection with the performance of the obligations

imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.

2.3.3 Each Party shall be responsible for its own costs associated with following this article.

Article 3. Effective Date, Term, Termination, and Disconnection

3.1 Effective Date

This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by the FERC. Transmission Provider shall promptly file this Agreement with the FERC upon execution, if required.

3.2 Term of Agreement

This Agreement shall become effective on the Effective Date and shall remain in effect for a period of ten years from the Effective Date or such other longer period as Interconnection Customer may request and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with article 3.3 of this Agreement.

3.3 Termination

No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this Agreement (if required), which notice has been accepted for filing by FERC.

3.3.1 Interconnection Customer may terminate this Agreement at any time by giving Transmission Provider twenty (20) Business Days written notice.

3.3.2 Either Party may terminate this Agreement after Default pursuant to article 7.6.

3.3.3 Upon termination of this Agreement, the Small Generating Facility will be disconnected from Transmission Provider's Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this SGIA or such non-terminating Party otherwise is responsible for these costs under this SGIA.

3.3.4 The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination.

3.3.5 The provisions of this article shall survive termination or expiration of this Agreement.

3.4 Temporary Disconnection

Temporary disconnection shall continue only for so long as reasonably necessary under Good Utility Practice.

3.4.1 Emergency Conditions – "Emergency Condition" shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Small Generating Facility or Interconnection Customer's Interconnection Facilities. Under Emergency

Conditions, Transmission Provider may immediately suspend interconnection service and temporarily disconnect the Small Generating Facility. Transmission Provider shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect Interconnection Customer's operation of the Small Generating Facility. Interconnection Customer shall notify Transmission Provider promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect Transmission Provider's Transmission System or any Affected Systems. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of both Parties' facilities and operations, its anticipated duration, and the necessary corrective action.

3.4.2 Routine Maintenance, Construction, and Repair

Transmission Provider may interrupt interconnection service or curtail the output of the Small Generating Facility and temporarily disconnect the Small Generating Facility from Transmission Provider's Transmission System when necessary for routine maintenance, construction, and repairs on Transmission Provider's Transmission System. Transmission Provider shall provide Interconnection Customer with five (5) Business Days notice prior to such interruption. Transmission Provider shall use Reasonable Efforts to coordinate such reduction or temporary disconnection with Interconnection Customer.

3.4.3 Forced Outages

During any forced outage, Transmission Provider may suspend interconnection service to effect immediate repairs on Transmission Provider's Transmission System. Transmission Provider shall use Reasonable Efforts to provide Interconnection Customer with prior notice. If prior notice is not given, Transmission Provider shall, upon request, provide Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection.

3.4.4 Adverse Operating Effects

Transmission Provider shall notify Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Small Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Small Generating Facility could cause damage to Transmission Provider's Transmission System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to Interconnection Customer upon request. If, after notice, Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, Transmission Provider may disconnect the Small Generating Facility. Transmission Provider shall provide Interconnection Customer with five Business Day notice of such disconnection, unless the provisions of article 3.4.1 apply.

3.4.5 Modification of the Small Generating Facility

Interconnection Customer must receive written authorization from Transmission Provider before making any change to the Small Generating Facility that may have a material impact on the safety or reliability of the Transmission System. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. If Interconnection Customer makes such modification without Transmission Provider's prior written authorization, the latter shall have the right to temporarily disconnect the Small Generating Facility.

3.4.6 Reconnection

The Parties shall cooperate with each other to restore the Small Generating Facility, Interconnection Facilities, and Transmission Provider's Transmission System to their normal operating state as soon as reasonably practicable following a temporary disconnection.

Article 4. Cost Responsibility for Interconnection Facilities and Distribution Upgrades

4.1 Interconnection Facilities

4.1.1 Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment 2 of this Agreement. Transmission Provider shall provide a best estimate cost, including overheads, for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of Interconnection Customer, such other entities, and [the] Transmission Provider.

4.1.2 Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing Transmission Provider's Interconnection Facilities.

4.2 Distribution Upgrades
Transmission Provider shall design, procure, construct, install, and own the Distribution Upgrades described in Attachment 6 of this Agreement. If Transmission Provider and Interconnection Customer agree, Interconnection Customer may construct Distribution Upgrades that are located on land owned by Interconnection Customer. The actual cost of the Distribution Upgrades, including overheads, shall be directly assigned to Interconnection Customer.

Article 5. Cost Responsibility for Network Upgrades

5.1 Applicability
No portion of this article 5 shall apply unless the interconnection of the Small Generating Facility requires Network Upgrades.

5.2 Network Upgrades

Transmission Provider or the Transmission Owner shall design, procure, construct, install, and own the Network Upgrades described in Attachment 6 of this Agreement. If Transmission Provider and Interconnection Customer agree, Interconnection Customer may construct Network Upgrades that are located on land owned by Interconnection Customer. Unless Transmission Provider elects to pay for Network Upgrades, the actual cost of the Network Upgrades, including overheads, shall be borne initially by Interconnection Customer.

5.2.1 Repayment of Amounts Advanced for Network Upgrades Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to Transmission Provider and Affected System operator, if any, for Network Upgrades, including any tax gross-up or other tax-related payments associated with the Network Upgrades, and not otherwise refunded to Interconnection Customer, to be paid to Interconnection Customer on a dollar-for-dollar basis for the non- usage sensitive portion of transmission charges, as payments are made under Transmission Provider's Tariff and Affected System's Tariff for transmission services with respect to the Small Generating Facility. Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. Interconnection Customer may assign such repayment rights to any person.

5.2.1.1 Notwithstanding the foregoing, Interconnection Customer, Transmission Provider, and any applicable Affected System operators may adopt any alternative payment schedule that is mutually agreeable so long as Transmission Provider and said Affected System operators take one of the following actions no later than five years from the Commercial Operation Date: (1) return to Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that Transmission Provider or any applicable Affected System operators will continue to provide payments to Interconnection Customer

on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the commercial operation date.

5.2.1.2 If the Small Generating Facility fails to achieve commercial operation, but it or another generating facility is later constructed and requires use of the Network Upgrades, Transmission Provider and Affected System operator shall at that time reimburse Interconnection Customer for the amounts advanced for the Network Upgrades. Before any such reimbursement can occur, Interconnection Customer, or the entity that ultimately constructs the generating facility, if different, is responsible for identifying the entity to which reimbursement must be made.

5.3 Special Provisions for Affected Systems

Unless Transmission Provider provides, under this Agreement, for the repayment of amounts advanced to any applicable Affected System operators for Network Upgrades, Interconnection Customer and Affected System operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by Interconnection Customer to Affected System operator as well as the repayment by Affected System operator.

5.4 Rights Under Other Agreements

Notwithstanding any other provision of this Agreement, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that Interconnection Customer shall be entitled to, now or in the future, under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements or transmission

credits for transmission service that is not associated with the Small Generating Facility.

Article 6. Billing, Payment, Milestones, and Financial Security

6.1 Billing and Payment Procedures and Final Accounting

6.1.1 Transmission Provider shall bill Interconnection Customer for the design, engineering, construction, and procurement costs of Interconnection Facilities and Upgrades contemplated by this Agreement on a monthly basis, or as otherwise agreed by the Parties. Interconnection Customer shall pay each bill within thirty (30) Calendar Days of receipt, or as otherwise agreed to by the Parties.

6.1.2 Within three months of completing the construction and installation of Transmission Provider's Interconnection Facilities and/or Upgrades described in the Attachments to this Agreement, Transmission Provider shall provide Interconnection Customer with a final accounting report of any difference between (1) Interconnection Customer's cost responsibility for the actual cost of such facilities or Upgrades, and (2) Interconnection Customer's previous aggregate payments to Transmission Provider for such facilities or Upgrades. If Interconnection Customer's cost responsibility exceeds its previous aggregate payments, Transmission Provider shall invoice Interconnection Customer for the amount due and Interconnection Customer shall make payment to Transmission Provider within thirty
(30) Calendar Days. If Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, Transmission Provider shall refund to Interconnection Customer an amount equal to the difference within thirty (30) Calendar Days of the final accounting report.

6.2 Milestones

The Parties shall agree on milestones for which each Party is responsible and list them in Attachment 4 of this Agreement. A Party's obligations under this provision may be extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Force Majeure Event, it shall immediately notify the other Party of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) requesting appropriate amendments to Attachment 4. The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless it will suffer significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) it has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

6.3 Financial Security Arrangements

At least twenty (20) Business Days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of Transmission Provider's Interconnection Facilities and Upgrades, Interconnection Customer shall provide Transmission Provider, at Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Transmission Provider and is consistent with the Uniform Commercial Code of the jurisdiction where the Point of Interconnection is located. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring, and installing the applicable portion of Transmission Provider's Interconnection Facilities and Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to Transmission Provider under this Agreement during its term. In addition:

6.3.1 The guarantee must be made by an entity that meets the creditworthiness requirements of Transmission Provider, and contain terms and conditions that guarantee payment of any amount that may be due from Interconnection Customer, up to an agreed-to maximum amount.

6.3.2 The letter of credit or surety bond must be issued by a financial institution or insurer reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

Article 7. Assignment, Liability, Indemnity, Force Majeure, Consequential Damages, and Default

7.1 Assignment

This Agreement may be assigned by either Party upon fifteen (15) Business Days prior written notice and opportunity to object by the other Party; provided that:

7.1.1 Either Party may assign this Agreement without the consent of the other Party to any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement, provided that Interconnection Customer promptly notifies Transmission Provider of any such assignment;

7.1.2 Interconnection Customer shall have the right to assign this Agreement, without the consent of Transmission Provider, for collateral security purposes to aid in providing financing for the Small Generating Facility, provided that Interconnection Customer will promptly notify Transmission Provider of any such assignment.

7.1.3 Any attempted assignment that violates this article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as Interconnection Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

7.2 Limitation of Liability

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 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, except as authorized by this Agreement.

7.3 Indemnity

7.3.1 This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in article 7.2.

7.3.2 The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or failure to meet its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

7.3.3 If an indemnified person is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this article, to assume the defense of such claim, such indemnified person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

7.3.4 If an indemnifying party is obligated to indemnify and hold any indemnified person harmless under this article, the amount owing to the indemnified person shall be the amount of such indemnified person's actual loss, net of any insurance or other recovery.

7.3.5 Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this article may apply, the indemnified person shall notify the indemnifying party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying party.

7.4 Consequential Damages

Other than as expressly provided for in this Agreement, 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.

7.5 Force Majeure

7.5.1 As used in this article, a Force Majeure Event shall mean "any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party’s control. A Force Majeure Event does not include an act of negligence or intentional wrongdoing."

7.5.2 If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure Event (Affected Party) shall promptly notify the other Party, either in writing or via the telephone, 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 the effects of the event 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 effect of the Force Majeure Event cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

7.6 Default

7.6.1 No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of a Force Majeure Event as defined in this Agreement or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in article 7.6.2, the defaulting Party shall have sixty (60) Calendar Days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within sixty (60) Calendar Days, the defaulting Party shall commence such cure within twenty (20) Calendar Days after notice and continuously and diligently complete such cure within six months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

7.6.2 If a Default is not cured as provided in this article, 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 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 article will survive termination of this Agreement.

Article 8. Insurance

8.1 Interconnection Customer shall, at its own expense, maintain in force general liability insurance without any exclusion for liabilities related to the interconnection undertaken pursuant to this Agreement. The amount of such insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the interconnection is made. Interconnection Customer shall obtain additional insurance only if necessary as a function of owning and operating a generating facility. Such insurance shall be obtained from an insurance provider authorized to do business in the State where the interconnection is located. Certification that such insurance is in effect shall be provided upon request of Transmission Provider, except that Interconnection Customer shall show proof of insurance to Transmission Provider no later than ten (10) Business Days prior to the anticipated commercial operation date. An Interconnection Customer of sufficient credit-worthiness may propose to self-insure for such liabilities, and such a proposal shall not be unreasonably rejected.

8.2 Transmission Provider agrees to maintain general liability insurance or self-insurance consistent with Transmission Provider's commercial practice. Such insurance or self-insurance shall not exclude coverage for Transmission Provider's liabilities undertaken pursuant to this Agreement.

8.3 The Parties further agree to notify each other whenever an accident or incident occurs resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

Article 9. Confidentiality

9.1 Confidential Information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement all design, operating specifications, and metering data provided by Interconnection

Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.

9.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.

9.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.

9.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.

9.3 Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC, within the time provided for in the request for information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC. The Party shall notify the other Party to this Agreement when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may

respond before such information would be made public, pursuant to 18 CFR § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

Article 10. Disputes

10.1 The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.

10.2 In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute.

10.3 If the dispute has not been resolved within two (2) Business Days after receipt of the Notice, either Party may contact FERC's Dispute Resolution Service (DRS) for assistance in resolving the dispute.

10.4 The DRS will assist the Parties in either resolving their dispute or in selecting an appropriate dispute resolution venue (e.g., mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in resolving their dispute. DRS can be reached at 1-877-337-2237 or via the internet at http://www.ferc.gov/legal/adr.asp.

10.5 Each Party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third-parties.

10.6 If neither Party elects to seek assistance from the DRS, or if the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement.

Article 11. Taxes

11.1 The Parties agree to follow all applicable tax laws and regulations, consistent with FERC policy and Internal Revenue Service requirements.

11.2 Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect Transmission Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

Article 12. Miscellaneous

12.1 Governing Law, Regulatory Authority, and Rules
The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of _____ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

12.2 Amendment
The Parties may amend this Agreement by a written instrument duly executed by both Parties, or under article 12.12 of this Agreement.

12.3 No Third-Party Beneficiaries
This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

12.4 Waiver

12.4.1 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.

12.4.2 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 other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of Interconnection Customer's legal rights to obtain an interconnection from Transmission Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

12.5 Entire Agreement

This Agreement, including all Attachments, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

12.6 Multiple Counterparts

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

12.7 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

12.8 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, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

12.9 Security Arrangements

Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. FERC expects all Transmission Providers, market participants, and Interconnection Customers interconnected to electric systems to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

12.10 Environmental Releases

Each Party shall notify the other Party, first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Small Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Party copies of any publicly available reports filed with any governmental authorities addressing such events.

12.11 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 to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

12.11.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Transmission Provider be liable for the actions or inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

12.11.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

12.12 Reservation of Rights

Transmission Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

Article 13. Notices

13.1 General

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person, delivered by recognized national currier service, or sent by first class mail, postage prepaid, to the person specified below:

If to Interconnection Customer: Interconnection

Customer:

_____

Attention: _____

Address:

_____

City: _____State:_____ Zip:_____

Phone: _____ Fax: _____

If to Transmission Provider: Transmission

Provider:

_____

Attention: _____

Address:

_____

City: _____State:_____ Zip:_____

Phone: _____ Fax: _____

13.2 Billing and Payment
Billings and payments shall be sent to the addresses set out below:

Interconnection Customer: _____

Attention: _____

Address:

_____

City: _____State:_____
Zip:_____

Transmission Provider:

_____

Attention: _____

Address:

_____

City: _____State:_____
Zip:_____

13.3 Alternative Forms of Notice
Any notice or request required or permitted to be given by either Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or e-mail to the telephone numbers and e-mail addresses set out below:

If to Interconnection Customer:

Interconnection Customer:

_____

Attention: _____

Address:

_____

City: _____State:_____
Zip:_____

Phone: _____ Fax: _____

If to Transmission Provider:

Transmission Provider:

_____

Attention: _____

Address:

_____

City: _____State:_____
Zip:_____

Phone: _____ Fax: _____

13.4 Designated Operating Representative

The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities.

Interconnection Customer's Operating Representative:

Interconnection Customer:

_____

Attention: _____

Address:

_____

City: _____State:_____
Zip:_____

Phone: _____ Fax: _____

Transmission Provider's Operating Representative:

Transmission Provider:

_____

Attention: _____

Address:

_____

City: _____State:_____
Zip:_____

Phone: _____ Fax: _____

13.5 Changes to the Notice Information
Either Party may change this information by giving five (5) Business Days written notice prior to the effective date of the change.

Article 14. Signatures

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

For Transmission Provider

Name: _____

Title: _____

Date: _____

For Interconnection Customer

Name: _____

Title: _____

Date: _____

Attachment 1

Glossary of Terms

Affected System – An electric system other than Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Applicable Laws and Regulations – All duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Standards - The requirements and guidelines of the Electric Reliability Organization and the Balancing Authority Area of the Transmission System to which the Generating Facility is directly interconnected.

Balancing Authority – An entity that integrates resource plans ahead of time, maintains demand and resource balance within a Balancing Authority Area, and supports interconnection frequency in real time.

Balancing Authority Area – The collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.

Business Day – Monday through Friday, excluding Federal Holidays.

Default – The failure of a breaching Party to cure its breach under the Small Generator Interconnection Agreement.

Distribution System –Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

Distribution Upgrades – The additions, modifications, and upgrades to Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Small Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Good Utility Practice – Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority – Any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer, the Interconnection Provider, or any Affiliate thereof.

Interconnection Customer – Any entity, including Transmission Provider, the Transmission Owner or any of the affiliates or subsidiaries of either, that proposes to interconnect its Small Generating Facility with Transmission Provider's Transmission System.

Interconnection Facilities –Transmission Provider's Interconnection Facilities and Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Small Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Small Generating Facility to Transmission Provider's Transmission System.
Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

Interconnection Request –Interconnection Customer's request, in accordance with the Tariff, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with Transmission Provider's Transmission System.

Material Modification – A modification that has a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Network Upgrades – Additions, modifications, and upgrades to Transmission Provider's Transmission System required at or beyond the point at which the Small Generating Facility interconnects with Transmission Provider's Transmission

System to accommodate the interconnection of the Small Generating Facility with Transmission Provider's Transmission System. Network Upgrades do not include Distribution Upgrades.

Operating Requirements – Any operating and technical requirements that may be applicable due to Regional Transmission Organization, Independent System Operator, Balancing Authority Area, or Transmission Provider's requirements, including those set forth in the Small Generator Interconnection Agreement.

Party or Parties –Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Interconnection – The point where the Interconnection Facilities connect with Transmission Provider's Transmission System.

Reasonable Efforts – With respect to an action required to be attempted or taken by a Party under the Small Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Small Generating Facility –Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include Interconnection Customer's Interconnection Facilities.

Tariff –Transmission Provider or Affected System's Tariff through which open access transmission service and Interconnection Service are offered, as filed with the FERC, and as amended or supplemented from time to time, or any successor tariff.

Transmission Owner – The entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Small Generator Interconnection Agreement to the extent necessary.

Transmission Provider – The public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from Transmission Provider.

Transmission System – The facilities owned, controlled or operated by Transmission Provider or the Transmission Owner that are used to provide transmission service under the Tariff.

Upgrades – The required additions and modifications to Transmission Provider's Transmission System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or

Distribution Upgrades. Upgrades do not include Interconnection Facilities.

Description and Costs of the Small Generating Facility, Interconnection Facilities, and Metering Equipment

Equipment, including the Small Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned by Interconnection Customer, Transmission Provider, or the Transmission Owner. Transmission Provider will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment.

One-line Diagram Depicting the Small Generating Facility, Interconnection Facilities, Metering Equipment, and Upgrades

Attachment 4

Milestones

In-Service Date: _____

Critical milestones and responsibility as agreed to by the Parties:

	Milestone/Date	**Responsible Party**
(1)	_____	_____
(2)	_____	_____
(3)	_____	_____
(4)	_____	_____
(5)	_____	_____
(6)	_____	_____
(7)	_____	_____

(8) _____ _____

(9) _____ _____

(10) _____ _____

Agreed to by:

For Transmission Provider_____ Date_____

For Transmission Owner (If Applicable) _____
Date_____

For Interconnection Customer_____ Date_____

Additional Operating Requirements for Transmission Provider's Transmission System and Affected Systems Needed to Support Interconnection Customer's Needs

Transmission Provider shall also provide requirements that must be met by Interconnection Customer prior to initiating parallel operation with Transmission Provider's Transmission System.

Transmission Provider's Description of its Upgrades

and Best Estimate of Upgrade Costs

Transmission Provider shall describe Upgrades and provide an itemized best estimate of the cost, including overheads, of the Upgrades and annual operation and maintenance expenses associated with such Upgrades. Transmission Provider shall functionalize Upgrade costs and annual expenses as either transmission or distribution related.

ATTACHMENT O
Transmission Line Ratings

General:

The Transmission Provider will implement Transmission Line Ratings on the transmission lines over which it provides Transmission Service, as provided below.

Definitions:

The following definitions apply for purposes of this Attachment:

(1) "Transmission Line Rating" means the maximum transfer capability of a transmission line, computed in accordance with a written Transmission Line Rating methodology and consistent with Good Utility Practice, considering the technical limitations on conductors and relevant transmission equipment (such as thermal flow limits), as well as technical limitations of the Transmission System (such as system voltage and stability limits). Relevant transmission equipment may include, but is not limited to, circuit breakers, line traps, and transformers.

(2) "Ambient-Adjusted Rating" (AAR) means a Transmission Line Rating that:

(a) Applies to a time period of not greater than one hour.

(b) Reflects an up-to-date forecast of ambient air temperature across the time period to which the rating applies.

(c) Reflects the absence of solar heating during nighttime periods, where the local sunrise/sunset times used to determine daytime and nighttime periods are updated at least monthly, if not more frequently.

(d) Is calculated at least each hour, if not more frequently.

(3) "Seasonal Line Rating" means a Transmission Line Rating that:

(a) Applies to a specified season, where seasons are defined by the Transmission Provider to include not fewer than four seasons in each year, and to reasonably reflect portions of the year where expected high temperatures are relatively consistent.

(b) Reflects an up-to-date forecast of ambient air temperature across the relevant season over which the rating applies.

(c) Is calculated annually, if not more frequently, for each season in the future for which Transmission Service can be requested.

(4) "Near-Term Transmission Service" means Transmission Service which ends not more than 10 days after the Transmission Service request date. When the description of obligations below refers to either a request for information about the availability of potential Transmission Service (including, but not limited to, a request for ATC), or to the posting of ATC or other information related to potential service, the date that the information is requested or posted will serve as the Transmission Service request date. "Near-Term Transmission Service" includes any Point-To-Point Transmission Service, Network Resource designations, or secondary service where the start and end date of the designation or request is within the next 10 days.

(5) "Emergency Rating" means a Transmission Line Rating that reflects operation for a specified, finite period, rather than reflecting continuous operation. An Emergency Rating may assume an acceptable loss of equipment life or other physical or safety limitations for the equipment involved.

System Reliability:

If the Transmission Provider reasonably determines, consistent with Good Utility Practice, that the temporary use of a Transmission Line Rating different than would otherwise be required by this Attachment is necessary to ensure the safety and reliability of the Transmission System, then the Transmission Provider may use such an alternate rating. The Transmission Provider must document in its database of Transmission Line Ratings and Transmission Line Rating methodologies on OASIS or another password-protected website, as required by this Attachment, the use of an alternate Transmission Line Rating under this paragraph, including the nature of and basis for the alternate rating, the date and time that the alternate rating was initiated, and (if applicable) the date and time that the alternate rating was withdrawn and the standard rating became effective again.

Obligations of Transmission Provider:

The Transmission Provider will have the following obligations.

The Transmission Provider must use AARs as the relevant Transmission Line Ratings when performing any of the following functions: (1) evaluating requests

for Near-Term Transmission Service; (2) responding to requests for information on the availability of potential Near-Term Transmission Service (including requests for ATC or other information related to potential service); or (3) posting ATC or other information related to Near-Term Transmission Service to the Transmission Provider's OASIS site or another password-protected website.

The Transmission Provider must use AARs as the relevant Transmission Line Ratings when determining whether to curtail (under section 13.6) Firm Point-To-Point Transmission Service or when determining whether to curtail and/or interrupt (under section 14.7) Non-Firm Point-To-Point Transmission Service if such curtailment and/or interruption is both necessary because of issues related to flow limits on transmission lines and anticipated to occur (start and end) within 10 days of such determination. For determining whether to curtail or interrupt Point-To-Point Transmission Service in other situations, the Transmission Provider must use Seasonal Line Ratings as the relevant Transmission Line Ratings.

The Transmission Provider must use AARs as the relevant Transmission LineRatings when determining whether to curtail (under section 33) or redispatch (under sections 30.5 and/or 33) Network Integration Transmission Service or secondary service if such curtailment or redispatch is both necessary because of issues related to flow limits on transmission lines and anticipated to occur (start and end) within 10 days of such determination. For determining the necessity of curtailment or redispatch of Network Integration Transmission Service or secondary service in other situations, the Transmission Provider must use Seasonal Line Ratings as the relevant Transmission Line Ratings.

The Transmission Provider must use Seasonal Line Ratings as the relevant Transmission Line Ratings when evaluating requests for and whether to curtail, interrupt, or redispatch any Transmission Service not otherwise covered above in this section (including, but not limited to, requests for non-Near-Term Transmission Service or requests to designate or change the designation of Network Resources or Network Load), when developing any ATC or other information posted or provided to potential customers related to such services. The Transmission Provider must use Seasonal Line Ratings as a recourse rating in the event that an AAR otherwise required to be used under this Attachment is unavailable.

The Transmission Provider must use uniquely determined Emergency Ratings for contingency analysis in the operations horizon and in post-contingency simulations of constraints. Such uniquely determined Emergency Ratings must also include separate AAR calculations for each Emergency Rating duration used.

In developing forecasts of ambient air temperature for AARs and Seasonal Line Ratings, the Transmission Provider must develop such forecasts consistent with Good Utility Practice and on a non-discriminatory basis.

Postings to OASIS or another password-protected website: The Transmission Provider must maintain on the password-protected section of its OASIS page or on another password-protected website a database of Transmission Line Ratings and Transmission Line Rating methodologies. The database must include a full record of all Transmission Line Ratings, both as used in real-time operations, and as used for all future periods for which Transmission Service is offered. Any postings of temporary alternate Transmission Line Ratings or exceptions used under the System Reliability section above or the Exceptions section below, respectively, are considered part of the database. The database must include records of which Transmission Line Ratings and Transmission Line Rating methodologies were in effect at which times over at least the previous five years, including records of which temporary alternate Transmission Line Ratings or exceptions were in effect at which times during the previous five years. Each record in the database must indicate which transmission line the record applies to, and the date and time the record was entered into the database. The database must be maintained such that users can view, download, and query data in standard formats, using standard protocols.

Sharing with Transmission Providers: The Transmission Provider must share, upon request by any Transmission Provider and in a timely manner, the following information:

(1) Transmission Line Ratings for each period for which Transmission Line Ratings are calculated, with updated ratings shared each time Transmission Line Ratings are calculated, and

(2) Written Transmission Line Rating methodologies used to calculate the Transmission Line Ratings in (1) above.

Exceptions: Where the Transmission Provider determines, consistent with Good Utility Practice, that the Transmission Line Rating of a transmission line is not affected by ambient air temperature or solar heating, the Transmission Provider may use a Transmission Line Rating for that transmission line that is not an AAR or Seasonal Line Rating. Examples of such a transmission line may include (but are not limited to): (1) a transmission line for which the technical transfer capability of the limiting conductors and/or limiting transmission equipment is not dependent on ambient air temperature or solar heating; or (2) a transmission line whose transfer capability is limited by a Transmission System limit (such as a systemvoltage or stability limit) which is not dependent on ambient air temperature or solar heating. The Transmission Provider must document in its database of Transmission Line Ratings and Transmission Line Rating

methodologies on OASIS or another password-protected website any exceptions to the requirements contained in this Attachment initiated under this paragraph, including the nature of and basis for each exception, the date(s) and time(s) that the exception was initiated, and (if applicable) the date(s)and time(s) that each exception was withdrawn and the standard rating became effective again. If the technical basis for an exception under this paragraph changes, then the Transmission Provider must update the relevant Transmission Line Rating(s) in a timely manner. The Transmission Provider must reevaluate any exceptions taken under this paragraph at least every five years.

ATTACHMENT P

Energy Imbalance Market

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10.3.1 Corrective Actions for Temporary Contingencies

1. General Provision - Purpose and Effective Date of Attachment P

Attachment P provides for Transmission Provider's participation as the EPE EIM Entity in the EIM administered by the MO. This Attachment P should be read in conjunction with the EPE EIM BP.

Attachment P shall be in effect upon its acceptance by the Commission, with the exceptions provided below, for as long as Transmission Provider implements the EIM and until all final settlements are finalized resulting from such implementation. Sections 4.1.5, 4.1.6, 8 and 10 of this Attachment P take effect no earlier than April 5, 2023, or the implementation date of Transmission Provider's participation in the EIM, whichever is later. All other sections of this Attachment P take effect on January 25, 2023 or seven (7) days prior to the start of EPE's parallel operations with CIASO's EIM market, whichever is earlier.

This Attachment P shall apply to: (1) all Transmission Customers and Interconnection Customers, as applicable, with new and existing service agreements under Parts II and III and Attachments M and N of this Tariff, (2) all Transmission Customers with legacy transmission agreements that pre-existed this Tariff and that expressly incorporate by reference the applicability of EPE's Tariff and/or this Attachment P in particular, and (3) Transmission Provider's use of the transmission system for service to Native Load Customers. To the extent an Interconnection Customer controls the output of a generator located in EPE's BAA, the EPE EIM Entity may require the Interconnection Customer to comply with a requirement in this Attachment P that on its face applies to a Transmission Customer to the extent that the EPE EIM Entity makes a determination, in its sole discretion, that the Interconnection Customer is the more appropriate party to satisfy the requirements of Attachment P than any Transmission Customer.

This Attachment P shall work in concert with the provisions of the MO Tariff implementing the EIM to support operation of the EIM. To the extent that this Attachment P is inconsistent with a provision in the remainder of this Tariff with regard to the EPE EIM Entity's administration of the EIM, this Attachment P shall prevail.

This Attachment P governs the relationship between the EPE EIM Entity and all Transmission Customers and Interconnection Customers subject to this Tariff. This Attachment P does not establish privity between Transmission Customers and the MO or make a Transmission Customer subject to the MO Tariff. Any Transmission Customer duties and obligations related to the EIM are those identified in this Tariff, unless the Transmission Customer voluntarily elects to participate directly in the EIM with EPE EIM Participating Resources, in which case the MO Tariff provisions for EIM Participating Resources and EIM Participating Resource Scheduling Coordinators shall also apply.

For purposes of the remainder of this Attachment P, the use of the defined term "Transmission Customer(s)" shall include any applicable Interconnection Customer who, pursuant to a determination made by the Transmission Provider as provided above, has been identified to be the more appropriate party to satisfy the requirements of this Attachment P.

2. Election of Transmission Customers to become EPE EIM Participating Resources

The decision of a Transmission Customer to participate in the EIM with resources as EPE EIM Participating Resources is voluntary. A Transmission Customer that chooses to have a resource become an EPE EIM Participating Resource must:

(1) Meet the requirements specified in Section 3 of this Attachment P and the EPE EIM BP;
(2) Become or retain a MO-certified EIM Participating Resource Scheduling Coordinator; and
(3) Follow the application and certification process specified in this Attachment P and the EPE EIM BP posted on the Transmission Provider's OASIS.

Transmission Customers which own or control multiple resources may elect to have any or all of their resources be EPE EIM Participating Resources, in which case any resources that are not elected by the Transmission Customer to be EPE EIM Participating Resources shall be treated as Non-Participating Resources for purposes of this Attachment P.

3. Eligibility to be an EPE EIM Participating Resource

3.1 Internal Resources - Transmission Rights

Resources owned or controlled by Transmission Customers and located within the metered boundaries of EPE's BAA are eligible to become EPE EIM Participating Resources. The Transmission Customer that owns or controls the resource must have associated transmission rights based on one of the following:

(1) The resource is a designated Network Resource of a Network Customer, and the Network Customer elects to participate in the EIM through its Network Integration Transmission Service Agreement; or
(2) The resource is associated with either (i) a service agreement for Firm Point-to-Point Transmission Service or (ii) a service agreement for Non- Firm Point-to-Point Transmission Service, and such Transmission Customer elects to participate in the EIM.

3.2 Resources External to EPE's BAA

3.2.1 Use of Pseudo-Ties

A resource owned or controlled by a Transmission Customer that is not physically located inside the metered boundaries of EPE's BAA may participate in the EIM as an EPE EIM Participating Resource if the Transmission Customer: (1) implements a Pseudo-Tie into EPE's BAA, consistent with EPE's business practice posted on Transmission Provider's OASIS; (2) has arranged firm transmission over any third-party transmission systems to an EPE BAA intertie boundary equal to the amount of energy that will be Dynamically Transferred through a Pseudo-Tie into EPE's BAA, consistent with EPE's business practice posted on Transmission Provider's OASIS; (3) has secured transmission service consistent with Section 3.1 of this Attachment P,

and (4) has already registered the pseudo-tie and resource with the NAESB webRegistry.

3.2.2 Pseudo-Tie Costs

Pseudo-Tie implementation costs shall be allocated in a manner consistent with the treatment of Network Upgrades and Direct Assignment Facilities to facilitate a Pseudo-Tie into EPE's BAA.

3.3 Application and Certification of EPE EIM Participating Resources

This section should be read in conjunction with the EPE EIM BP.

3.3.1 Application

To register a resource to become an EPE EIM Participating Resource, an applicant must submit a completed application and shall provide a deposit of $1,500 for the EPE EIM Entity to process the application. Upon completion of processing the completed application, the EPE EIM Entity shall charge and the applicant shall pay the actual costs of the application processing. Any difference between the deposit and the actual costs of the application processing shall be paid by or refunded (without interest) to the EPE EIM Participating Resource applicant, as appropriate. At the time of application, any EPE EIM Participating Resource applicant must elect to perform the duties of either a CAISO Metered Entity or Scheduling Coordinator Metered Entity, consistent with the MO's requirements, as applicable.

3.3.2 Processing the Participating Resource Application

The EPE EIM Entity shall make a determination as to whether to accept or reject the application within 45 days of receipt of the application. At minimum, the EPE EIM Entity shall validate through the application that the EPE EIM Participating Resource applicant has satisfied Sections 3.1 and 3.2 of this Attachment P, as applicable, and met minimum telemetry and metering requirements, as set forth in the MO's requirements and the EPE EIM BP. Within 45 days of receipt of the application and in accordance with the process outlined in the EPE EIM BP, the EPE EIM Entity may request additional information and will attempt to resolve any minor deficiencies in the application with the Transmission Customer. The EPE EIM Entity may extend the 45-day period to accommodate the resolution of minor deficiencies in the application in order to make a determination on an application. If the EPE EIM Entity approves the application, it shall send notification of approval to both the EPE EIM Participating Resource applicant and the MO. If the EPE EIM Entity rejects the application, the EPE EIM Entity shall send notification stating the grounds for rejection to the EPE EIM Participating Resource applicant. Upon request, the EPE EIM Entity may provide guidance to the applicant as to how the EPE EIM Participating Resource applicant may cure the grounds for the rejection. In the event that the EPE EIM Entity has granted an extension of the 45-day period but the applicant has neither provided the additional requested information nor otherwise resolved identified deficiencies within six (6) months of the EPE EIM Entity's initial

receipt of the application, the application shall be deemed rejected by the EPE EIM Entity. If an application is rejected, the EPE EIM Participating Resource applicant may resubmit its application at any time (including submission of a new processing fee deposit).

3.3.3 Certification Notice

Upon approval of an application and in accordance with the process specified in the EPE EIM BP, certification by the EPE EIM Entity of the EPE EIM Participating Resource to participate in the EIM shall occur once the Transmission Customer has demonstrated and the MO has confirmed that the Transmission Customer has:

(1) Met the MO's criteria to become an EIM Participating Resource and executed the MO's pro forma EIM Participating Resource Agreement;
(2) Qualified to become or retained the services of a MO-certified EIM Participating Resource Scheduling Coordinator;
(3) Met the necessary metering requirements of this Tariff and Section 29.10 of the MO Tariff and the EIM Participating Resource Scheduling Coordinator has executed the MO's pro forma Meter Service Agreement for Scheduling Coordinators; and
(4) Met communication and data requirements of this Tariff and Section 29.6 of the MO Tariff; and has the ability to receive and implement Dispatch Instructions every five minutes from the MO.

Upon receiving notice from the MO of the completion of the enumerated requirements by the Transmission Customer, the EPE EIM Entity shall provide notice to both the Transmission Customer with an EPE EIM Participating Resource and the MO that the EPE EIM Participating Resource is certified and therefore eligible to participate in the EIM.

3.3.4 Status of Resource Pending Certification

If the Transmission Customer: (i) has submitted an application for a resource to be an EPE EIM Participating Resource but the application has not been approved; or (ii) has not yet been certified by the EPE EIM Entity consistent with Section 3.3.3 of this Attachment P, the resource shall be deemed to be a Non-Participating Resource.

3.3.5 Notice and Obligation to Report a Change in Information

Each Transmission Customer with an EPE EIM Participating Resource has an ongoing obligation to inform the EPE EIM Entity of any changes to any of the information submitted as part of the application process under this Attachment P consistent with EPE EIM Business Practice Manual.

This information includes, but is not limited to:

(1) Any change in the EPE EIM Participating Resource Scheduling Coordinator representing the resource;
(2) Any change in the ownership or control of the resource;

(3) Any change to the physical characteristics of the resource required to be reported to the MO in accordance with Section 29.4(c)(4)(C) of the MO Tariff; or

(4) If either the MO terminates the participation of the EPE EIM Participating Resource in the EIM or the Transmission Customer has terminated the EPE EIM Participating Resource's participation in the EIM; in either case, that resource shall be considered to be a Non- Participating Resource for purposes of this Tariff, including Attachment P.

4. Roles and Responsibilities

4.1 Transmission Provider as the EPE EIM Entity and the EPE EIM Entity Scheduling Coordinator

4.1.1 Responsibilities

4.1.1.1 Identification of EIM Entity Scheduling Coordinator

The EPE EIM Entity can serve as the EPE EIM Entity Scheduling Coordinator or retain a third party to perform such role. If the EPE EIM Entity is not the EPE EIM Entity Scheduling Coordinator, the EPE EIM Entity shall communicate to the EPE EIM Entity Scheduling Coordinator the information required by the EPE EIM Entity Scheduling Coordinator to fulfill its responsibilities in the EIM.

The EPE EIM Entity Scheduling Coordinator shall coordinate and facilitate the EIM in accordance with the requirements of the MO Tariff. The EPE EIM Entity Scheduling Coordinator must meet the certification requirements of the MO and enter into any necessary MO agreements.

4.1.1.2 Processing EPE EIM Participating Resource Applications

The EPE EIM Entity shall be responsible for processing applications of Transmission Customers seeking authorization to participate in the EIM with resources as EPE EIM Participating Resources in accordance with Section 3.3 of this Attachment P.

4.1.1.3 Determination of EIM Implementation Decisions for EPE's BAA

The EPE EIM Entity is solely responsible for making any decisions with respect to EIM participation that the MO requires of EIM Entities. The EPE EIM Entity has made the following determinations:

(1) **Eligibility requirements**: Eligibility requirements are set forth in Section 3 of Attachment P.

(2) **Load Aggregation Points**: There shall be one LAP for EPE's BAA.

(3) **MO load forecast**: The EPE EIM Entity shall utilize the MO load forecast but shall retain the right to provide the load forecast to the MO in accordance with the MO Tariff.

(4) **MO metering agreements**: The EPE EIM Entity and all Transmission Customers with EPE EIM Participating Resources shall have the option to elect to be Scheduling Coordinator Metered Entities or CAISO Metered Entities in accordance with Section 29.10 of the MO Tariff. The EPE EIM Entity shall be a Scheduling Coordinator Metered Entity on behalf of all Transmission Customers with Non-Participating Resources in accordance with Section 29.10 of the MO Tariff.

4.1.1.4 EPE EIM Business Practice

The EPE EIM Entity shall establish and revise, as necessary, procedures to facilitate implementation and operation of the EIM through the EPE EIM BP that shall be posted on the Transmission Provider's OASIS.

4.1.1.5 Determination to Take Corrective Actions or Permanently Terminate Participation in the EIM

The EPE EIM Entity may take corrective actions in EPE's BAA in accordance with the requirements of Section 10.3 of Attachment P.

In addition, the EPE EIM Entity, in its sole and absolute discretion, may permanently terminate its participation in the EIM by providing notice of termination to the MO pursuant to applicable agreements and by making a filing pursuant to Section 205 of the Federal Power Act to revise this Tariff consistent with the Commission's requirements.

4.1.2 Responsibilities of the EPE EIM Entity to Provide Required Information

4.1.2.1 Provide Modeling Data to the MO

The EPE EIM Entity shall provide the MO information associated with transmission facilities within EPE's BAA, including, but not limited to, network constraints and associated limits that must be observed in EPE's BAA network and interties with other BAAs.

4.1.2.2 Registration

The EPE EIM Entity shall register all Non-Participating Resources with the MO consistent with EPE's EIM Business Practice Manual. The EPE EIM Entity may choose to obtain default energy bids from the MO for Non-Participating Resources that are Balancing Authority Area Resources. The EPE EIM Entity shall update this information in accordance with the MO's requirements as revised information is received from Transmission Customers with Non-Participating Resources in accordance with Section 4.2.1.2 of this Attachment P.

4.1.3 Day-to-Day EIM Operations

4.1.3.1 Submission of Transmission Customer Base Schedule, Forecast Data for Non-Participating Resources that are Variable Energy Resources, and Resource Plans

The EPE EIM Entity is responsible for providing the data required by the MO in accordance with Section 29.34 of the MO Tariff, including but not limited to: (1) hourly Transmission Customer Base Schedules; (2) Forecast Data for Non-Participating Resources that are Variable Energy Resources; and (3) Resource Plans.

4.1.3.2 Communication of Manual Dispatch Information

The EPE EIM Entity shall inform the MO of a Manual Dispatch by providing adjustment information for the affected resources in accordance with Section 29.34 of the MO Tariff.

4.1.3.3 Confirmation

The MO shall calculate, and the EPE EIM Entity shall confirm, actual values for Dynamic Schedules reflecting EIM Transfers to the MO within 60 minutes after completion of the Operating Hour to ensure the e-Tag author will be able to update these values in accordance with WECC policies and industry standards through an update to the e-Tag. If WECC policies and industry standards are modified such that the 60-minute time frame set forth in the preceding sentence is no longer sufficient to enable compliance with the WECC policies and industry standards, Transmission Provider shall specify in its EIM BP the applicable time frame necessary to remain compliant.

4.1.3.4 Dispatch of EIM Available Balancing Capacity of a Non-Participating Resource

Upon notification by the MO, the EPE EIM Entity shall notify the Non-Participating Resource of the Dispatch Operating Point for any EIM Available Balancing Capacity from the Non-Participating Resource, except in circumstances in which the EPE EIM Entity determines the additional capacity is not needed for the BAA or has taken other actions to meet the capacity need.

4.1.4 Provision of Meter Data

The EPE EIM Entity shall submit load, resource, and Interchange meter data to the MO in accordance with the format and timeframes required in the MO Tariff on behalf of Transmission Customers with Non-Participating Resources, loads, and Interchange.

4.1.5 Settlement of MO Charges and Payments

The EPE EIM Entity shall be responsible for financial settlement of all charges and payments allocated by the MO to the EPE EIM Entity. The EPE EIM Entity shall sub-allocate EIM charges and payments in accordance with Schedules 1, 1A, 4, and 10 of this Tariff or Section 8 of Attachment P, as applicable.

4.1.6 Dispute Resolution with the MO

The EPE EIM Entity shall manage dispute resolution with the MO for the EPE EIM Entity settlement statements consistent with Section 29.13 of the MO Tariff, Section 12.4 of this Tariff, and the EPE EIM BP. Transmission Customers with EPE EIM Participating Resources shall manage dispute resolution with the MO for any settlement statements they receive directly from the MO.

4.2 Transmission Customer Responsibilities

The following Transmission Customers must comply with the information requirements of this section: (1) Transmission Customers with an EPE EIM Participating Resource; (2) Transmission Customers with a Non-Participating Resource; (3) Transmission Customers with load within EPE's BAA; and (4) subject to the limitations identified in Section 4.2.4.5.1 of this Attachment P, Transmission Customers wheeling through EPE's BAA. This section should be read in conjunction with the EPE EIM BP.

4.2.1 Initial Registration Data

4.2.1.1 Transmission Customers with an EPE EIM Participating Resource

A Transmission Customer with an EPE EIM Participating Resource shall provide the EPE EIM Entity with the data necessary to meet the requirements established by the MO to register all resources with the MO as required by Section 29.4(e)(4)(D) of the MO Tariff.

4.2.1.2 Transmission Customers with Non-Participating Resources

A Transmission Customer with Non-Participating Resources shall provide the EPE EIM Entity with data necessary to meet the requirements established by the MO as required by Section 29.4(c)(4)(C) of the MO Tariff.

4.2.2 Responsibility to Update Required Data

4.2.2.1 Transmission Customers with an EPE EIM Participating Resource

Each Transmission Customer with an EPE EIM Participating Resource has an ongoing obligation to inform the MO and EPE EIM Entity of any changes to any of the information submitted by the Transmission Customer provided under Section 4.2.1 of this Attachment P that reflects changes in operating characteristics as required by Section 29.4(e)(4)(D) of the MO Tariff.

4.2.2.2 Transmission Customers with Non-Participating Resources

Each Transmission Customer with a Non-Participating Resource has an ongoing obligation to inform the EPE EIM Entity of any changes to any of the information submitted by the Transmission Customer with a Non-Participating Resource provided under Section 4.2.1 of this Attachment P.

4.2.3 Outages

Transmission Customers with EPE EIM Participating Resources and Transmission Customers with Non-Participating Resources shall be required to provide planned and unplanned outage information for their resources in accordance with Section 7 of this Attachment P and the EPE EIM BP.

4.2.4 Submission of Transmission Customer Base Schedule

Every Transmission Customer (including Transmission Customers which do not have any resources or load within EPE's BAA) shall submit the Transmission Customer Base Schedule to the EPE EIM Entity. This submission must include Forecast Data on all resources, Interchange, and Intrachange which balance to the Transmission Customer's anticipated load, as applicable. If the Transmission Customer does not serve load within EPE's BAA, submission of the Transmission Customer Base Schedule shall balance to the Transmission Customer's anticipated actual generation within EPE's BAA. The submissions shall be in the format and within the timing requirements established by the MO and the EPE EIM Entity as required in Section 4.2.4.5 of this Attachment P and the EPE EIM BP.

4.2.4.1 Transmission Customers with an EPE EIM Participating Resource or Non-Participating Resource in the EPE BAA

A Transmission Customer with an EPE EIM Participating Resource or a Non-Participating Resource is not required to submit Forecast Data for:

(1) resources located in EPE's BAA that are less than three MW; or
(2) behind-the-meter generation which is not contained in the MO's network model.

Each EPE EIM Participating Resource Scheduling Coordinator shall provide to the EPE EIM Entity:

(1) the energy bid range data (without price information) of the respective resources it represents that are participating in the EIM; and
(2) Dispatch Operating Point data of the respective resources it represents that are participating in the EIM.

4.2.4.2 Transmission Customers with Non-Participating Resources that are Variable Energy Resources

4.2.4.2.1 Resource Forecasts

A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource shall submit (i) resource Forecast Data with hourly granularity and (ii) resource Forecast Data with 5-minute or 15-minute granularity. A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource shall provide, at minimum, a three-hour rolling forecast with 15- minute granularity, updated every 15 minutes, and may provide, in the alternative, a three-hour rolling forecast with 5-minute granularity, updated every 5 minutes.

4.2.4.2.2 Method of submission

A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource shall submit resource Forecast Data consistent with this Section 4.2.4.2 using any one of the following methods:

(1) The Transmission Customer may elect to use the EPE EIM Entity's Variable Energy Resource reliability forecast prepared for Variable Energy Resources within EPE's BAA, which shall be considered to be the basis for physical changes in the output of the resource communicated to the MO, for purposes of settlement pursuant to Schedule 10 of this Tariff;
(2) The Transmission Customer may elect to self-supply the Forecast Data and provide such data to the EPE EIM Entity, which shall be considered to be the basis for physical changes in the output of the resource communicated to the MO, for purposes of settlement pursuant to Schedule 10 of this Tariff; or
(3) The Transmission Customer may elect that the MO produce Forecast Data for the Variable Energy Resource, made available to the Transmission Customer in a manner consistent with Section 29.11 (j)(1) of the MO Tariff, which shall be considered to be the basis for physical changes in the output of the resource communicated to the MO, for purposes of settlement pursuant to Schedule 10 of this Tariff.

4.2.4.2.3 Timing of submission

A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource must elect one of the above methods prior to either: (1) the date EPE joins the EIM or (2) the date the Non-Participating Resource interconnects to EPE's BAA. A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource may change its election by providing advance notice to the EPE EIM Entity.

To the extent a Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource elects method (2) above, and such Transmission Customer fails to submit resource Forecast Data for any time interval as required by this Section 4.2.4.2 of this Attachment P, the EPE EIM Entity shall apply method (1) for purposes of settlement pursuant to Schedule 10 of this Tariff.

4.2.4.3 Transmission Customers with Load

As set forth in Sections 4.2.4 of this Attachment P, a Transmission Customer is required to submit Forecast Data on all resources, Interchange, and Intrachange which balance to the Transmission Customer's anticipated load, as applicable.

For purposes of settling Energy Imbalance Service pursuant to Schedule 4 of this Tariff, the EPE EIM Entity shall calculate the load component of the Transmission Customer Base Schedule as the resource Forecast Data net of its Interchange Forecast Data and net of its Intrachange Forecast Data, as applicable.

4.2.4.4 Transmission Customers Without Resources or Load in EPE's BAA

A Transmission Customer which does not have any resources or load within EPE's BAA shall submit a Transmission Customer Base Schedule that includes Interchange and Intrachange Forecast Data to the EPE EIM Entity.

4.2.4.5 Timing of Transmission Customer Base Schedules Submission

4.2.4.5.1 Preliminary Submission of Transmission Customer Base Schedules by Transmission Customers with Resources Or Load in the EPE BAA.

Transmission Customers with resources or load in the EPE BAA shall submit their initial Transmission Customer Base Schedules 7 days prior to each Operating Day ("T - 7 days").

Transmission Customers may modify the proposed Transmission Customer Base Schedule at any time but shall submit at least one update by 10 a.m. of the day before the Operating Day.

4.2.4.5.2 Final Submissions of Transmission Customer Base Schedules

Transmission Customers shall submit proposed final Transmission Customer Base Schedules, at any time but no later than 77 minutes prior to each Operating Hour ("T-77"). Transmission Customers may modify Transmission Customer Base Schedules up to and until 57 minutes prior to the Operating Hour ("T-57").

As of 55 minutes prior to each Operating Hour ("T-55"), the Transmission Customer Base Schedule data for the Operating Hour will be considered financially binding and Transmission Customers may not submit further changes.

If the Transmission Customer fails to enter a Forecast Data value, the default will be 0 MW for that Operating Hour.

4.2.5 Metering for Transmission Customers with Non-Participating Resources

To assess imbalance, the MO shall disaggregate meter data into 5-minute intervals if the meter intervals are not already programmed to 5-minute intervals pursuant to a Transmission Customer's applicable interconnection requirements. To the extent that a Transmission Customer owns the meter or communication to the meter, the Transmission Customer shall be responsible to maintain accurate and timely data accessible for the EPE EIM Entity to comply with Section 4.1.4 of this Attachment P.

5. Transmission Operations

5.1 Provision of Information Regarding Real-Time Status of the Transmission Provider's Transmission System

The EPE EIM Entity shall provide the MO information on:

(1) real time data for the Transmission System and interties; and
(2) any changes to transmission capacity and the Transmission System due to operational circumstances.

5.2 Saved for future provision

5.3 Provision of EIM Transfer Capability by the EPE EIM Entity

The EPE EIM Entity shall facilitate the provision of transmission capacity for EIM Transfers by providing the MO with information about the amounts available for EIM Transfers utilizing Available Transfer Capability ("ATC"). The provision of EIM Transfer capacity corresponding to ATC shall be implemented by 40 minutes prior to the Operating Hour ("T-40") by the EPE EIM Entity. The EPE EIM Entity shall include an e-Tag, with an OASIS identification reservation number(s) created for EIM Transfers utilizing ATC, and shall also include the MO, all transmission providers, and path operators associated with the OASIS identification reservation number(s) identified in the e-Tag. The amount of ATC indicated on the e-Tag will be based upon the lower of the amount of ATC calculated by each EIM Entity at that interface by T-40. The ATC associated with the submitted e-Tag shall be available for the EIM, subject to approval of the e-Tag by all required e-Tag approval entities.

6. System Operations Under Normal and Emergency Conditions

6.1 Compliance with Reliability Standards

Participation in the EIM shall not modify, change, or otherwise alter the manner in which the Transmission Provider operates its Transmission System consistent with applicable reliability standards, including adjustments. Participation in the EIM shall not modify, change, or otherwise alter the obligations of the EPE EIM Entity, Transmission Customers with EPE EIM Participating Resources, or Transmission Customers with Non-Participating Resources to comply with applicable reliability standards.

The EPE EIM Entity shall remain responsible for:

(1) maintaining appropriate operating reserves and for its obligations pursuant to any reserve sharing group agreements;
(2) NERC and WECC responsibilities including, but not limited to, informing the Reliability Coordinator of issues within EPE's BAA;
(3) processing e-Tags and managing schedule curtailments at the interties; and
(4) monitoring and managing real-time flows within system operating limits on all transmission facilities within EPE's BAA, including facilities of EPE BAA Transmission Owners. If requested by a Transmission Customer that is also an EPE BAA Transmission Owner, the EPE EIM Entity will provide additional information or data related to EIM operation as it may relate to facilities of an EPE BAA Transmission Owner.

6.2 Good Utility Practice

The EPE EIM Entity, Transmission Customers with Non-Participating Resources, and Transmission Customers with EPE EIM Participating Resources shall comply with Good Utility Practice with respect to this Attachment P.

6.3 Management of Contingencies and Emergencies

6.3.1 EIM Disruption

If the MO declares an EIM disruption in accordance with Section 29.7(j) of the MO Tariff, the EPE EIM Entity shall, in accordance with Section 29.7(j)(4) of the MO Tariff, promptly inform the MO of actions taken in response to the EIM disruption by providing adjustment information, updates to e-Tags, transmission limit adjustments, or outage and de-rate information, as applicable.

6.3.2 Manual Dispatch

The EPE EIM Entity may issue a Manual Dispatch order to a Transmission Customer with an EPE EIM Participating Resource or a Non-Participating Resource in EPE's BAA, to address reliability or operational issues in EPE's BAA that the EIM is not able to address through normal economic dispatch and congestion management.

The EPE EIM Entity shall inform the MO of a Manual Dispatch as soon as possible.

7. Outages

7.1. EPE EIM Entity Transmission Outages

7.1.1 Planned Transmission Outages and Known Derates

The EPE EIM Entity shall submit information regarding planned transmission outages and known derates to the MO's outage management system in accordance with Section 29.9(b) of the MO Tariff. The EPE EIM Entity shall update the submittal if there are changes to the transmission outage plan.

7.1.2 Unplanned Transmission Outages

The EPE EIM Entity shall submit information as soon as possible regarding unplanned transmission outages or derates to the MO's outage management system in accordance with Section 29.9(e) of the MO Tariff.

7.2 EPE BAA Transmission Owner Outages

Transmission Customers that are also EPE BAA Transmission Owners shall provide the EPE EIM Entity with planned and unplanned transmission outage data. Planned outages shall be reported to the EPE EIM Entity.

The EPE EIM Entity shall communicate information regarding planned and unplanned outages of EPE BAA Transmission Owner facilities to the MO as soon as practicable upon receipt of the information from the EPE BAA Transmission Owner.

7.3 EPE EIM Participating Resource Outages

7.3.1 Planned EPE EIM Participating Resource Outages and Known Derates

EPE EIM Participating Resource Scheduling Coordinators shall submit information regarding planned resource outages and known derates to the EPE EIM Entity. Planned outages and known derates shall be reported to the EPE EIM Entity seven (7) or more days in advance and preferably at least 30 days in advance of the outage or known derate. The EPE EIM Entity shall then submit this outage information to the MO's outage management system in accordance with Section 29.9(c) of the MO Tariff. EPE EIM Participating Resource Scheduling Coordinators shall update the submittal if there are changes to the resource outage plan.

7.3.2 Unplanned EPE EIM Participating Resource Outages or Derates

In the event of an unplanned outage required to be reported under Section 29.9(e) of the MO Tariff, the EPE EIM Participating Resource Scheduling Coordinator is responsible for notifying the EPE EIM Entity of required changes. The EPE EIM Entity shall then submit this information to the MO's outage management system. Changes in availability of 10 MW or 5% of Pmax (whichever is greater) lasting 15 minutes or longer must be reported to the EPE EIM Entity. The EPE EIM Entity shall then submit this information to the MO's outage management system.

7.4 Outages of Transmission Customers with Non-Participating Resources

7.4.1 Planned Outages and Known Derates of Transmission Customers with Non-Participating Resources

Transmission Customers with Non-Participating Resources shall report information regarding planned outages and known derates of resources to the EPE EIM Entity.

The Transmission Customer with a Non-Participating Resource shall update the submittal if there are changes to the resource's outage plan.

The EPE EIM Entity shall submit planned resource outages and known derates of Non-Participating Resources to the MO's outage management system in accordance Section 29.9(c) of the MO Tariff.

7.4.2 Unplanned Outages or Derates of Resources of Transmission Customers with Non- Participating Resources

Unplanned outages of resources of a Transmission Customer with Non- Participating Resources shall be reported to the EPE EIM Entity.

In the event of a forced outage required to be reported under Section 29.9(e) of the MO Tariff, the EPE EIM Entity is responsible for notifying the MO of required changes through the MO's outage management system.

Changes in availability of 10 MW or 5% of the element's normal system operating limits (whichever is greater) lasting 15 minutes or longer must be reported to the EPE EIM Entity. The EPE EIM Entity shall then submit this information to the MO's outage management system.

8. EIM Settlements and Billing

The EPE EIM BP shall include information on the specific charge codes applicable to EIM settlement.

8.1 Instructed Imbalance Energy (IIE)

The EPE EIM Entity shall settle as IIE imbalances that result from (1) operational adjustments of a Transmission Customer's affected base generation schedule or Interchange, which includes changes by a Transmission Customer after T-57, (2) resource imbalances created by Manual Dispatch or an EIM Available Balancing Capacity dispatch, (3) an adjustment to resource imbalances created by adjustments to resource forecasts, or (4) other reasons IIE is calculated by the MO pursuant to Section 11.5 of the MO Tariff and using the RTD or FMM price at the applicable PNode. Any allocations to the EPE EIM Entity pursuant to Section 29.1 1(b)(1) and (2) of the MO Tariff for IIE that is not otherwise recovered under Schedule 10 of this Tariff shall be settled directly with each Transmission Customer according to this Section 8.1.

8.2 Uninstructed Imbalance Energy (UIE)

Any charges or payments to the EPE EIM Entity pursuant to Section 29.11(b)(3)(B) and (C) of the MO Tariff for UIE not otherwise recovered under Schedule 4 or Schedule 10 shall not be sub-allocated to Transmission Customers.

8.3 Unaccounted for Energy (UFE)

Any charges to the EPE EIM Entity pursuant to Section 29.11(c) of the MO Tariff for UFE shall be sub-allocated to Transmission Customers on the basis of Measured Demand.

8.4 Charges for Under-Scheduling or Over-Scheduling Load

8.4.1 Under-Scheduling Load

Any charges to the EPE EIM Entity pursuant to Section 29.1 1(d)(1) of the MO Tariff for underscheduling load shall be assigned to the Transmission Customers subject to Schedule 4 based on each Transmission Customer's respective under- scheduling imbalance ratio share, which is the ratio of the Transmission Customer's under-scheduled load imbalance amount relative to all other Transmission Customers' under-scheduled load imbalance amounts who have under-scheduled load for the Operating Hour, expressed as a percentage.

8.4.2 Over-Scheduling Load

Any charges to the EPE EIM Entity pursuant to Section 29.1 1(d)(2) of the MO Tariff for overscheduling load shall be assigned to the Transmission Customers subject to Schedule 4 based on each Transmission Customer's respective over- scheduling imbalance ratio share, which is the ratio of the Transmission Customer's over-scheduled load imbalance amount relative to all other Transmission Customers' over-scheduled load imbalance amounts who have over-scheduled load for the Operating Hour, expressed as a percentage.

8.4.3 Distribution of Under-Scheduling or Over-Scheduling Proceeds

Any payment to the EPE EIM Entity pursuant to Section 29.1 1(d)(3) of the MO Tariff shall be distributed to Transmission Customers that were not subject to underscheduling or overscheduling charges during the Trading Day on the basis of Metered Demand and in accordance with the procedures outlined in the EPE EIM BP.

8.5 EIM Uplifts

8.5.1 EIM BAA Real-Time Market Neutrality (Real-Time Imbalance Energy Offset - BAA)

Any charges to the EPE EIM Entity pursuant to Section 29.1 1(e)(3) of the MO Tariff for EIM BAA real-time market neutrality shall be sub-allocated to Transmission Customers on the basis of Measured Demand.

8.5.2 EIM Entity BAA Real-Time Congestion Offset

Any charges to the EPE EIM Entity pursuant to Section 29.11 (e)(2) of the MO Tariff for the EIM real-time congestion offset shall be allocated to Transmission Customers on the basis of Measured Demand.

8.5.3 EIM Entity Real-Time Marginal Cost of Losses Offset

Any charges to the EPE EIM Entity pursuant to Section 29.1 1(e)(4) of the MO Tariff for real-time marginal cost of losses offset shall be sub-allocated to Transmission Customers on the basis of Measured Demand.

8.5.4 EIM Neutrality Settlement

Any charges to the EPE EIM Entity pursuant to Section 29.11 (e)(5) of the MO Tariff for EIM neutrality settlement shall be sub-allocated as follows:

Description	Allocation
Neutrality Adjustment (monthly and daily)	Measured Demand
Rounding Adjustment (monthly and daily)	Measured Demand

8.5.5 Real-Time Bid Cost Recovery

Any charges to the EPE EIM Entity pursuant to Section 29.11(f) of the MO Tariff for EIM real-time bid cost recovery shall be sub-allocated to Transmission Customers on the basis of Measured Demand.

8.5.6 Flexible Ramping Product

Any charges or payments to the EPE EIM Entity pursuant to Section 29.11(p) of the MO Tariff for the Flexible Ramping Product shall be sub-allocated to Transmission Customers on the basis as follows:

Description	Allocation
Flexible Ramping Forecasted Movement Resource Settlement	Measured Demand
Flexible Ramping Forecasted Movement Demand Allocation	Measured Demand
Daily Flexible Ramping Uncertainty Award (in both upward and downward directions)	Measured Demand
Monthly Flexible Ramping Uncertainty Award (in both upward and downward directions)	Measured Demand
Any other Flexible Ramping Product charges or payments	Measured Demand

8.5.7 Inaccurate or Late Actual Settlement Quality Meter Data Penalty

To the extent the EPE EIM Entity incurs a penalty for inaccurate or late actual settlement quality meter data, pursuant to Section 37.11.1 of the MO Tariff, the EPE EIM Entity shall directly assign the penalty to the offending Transmission Customer.

8.5.8 Other EIM Settlement Provisions

Any charges to the EPE EIM Entity pursuant to the MO Tariff for the EIM settlement shall be sub-allocated. The charges shown in the following table shall be sub-allocated as follows:

Description	Allocation
Invoice Deviation (distribution and allocation)	EPE EIM Entity
Generator Interconnection Process Forfeited Deposit Allocation	EPE EIM Entity
Default Invoice Interest Payment	EPE EIM Entity
Default Invoice Interest Charge	EPE EIM Entity
Invoice Late Payment Penalty	EPE EIM Entity
Financial Security Posting (Collateral) Late Payment Penalty	EPE EIM Entity
Shortfall Receipt Distribution	EPE EIM Entity
Shortfall Allocation Reversal	EPE EIM Entity
Shortfall Allocation	EPE EIM Entity
Default Loss Allocation	EPE EIM Entity

8.6 MO Tax Liabilities

Any charges to the EPE EIM Entity pursuant to Section 29.22(a) of the MO Tariff for MO tax liability as a result of the EIM shall be sub-allocated to those Transmission Customers triggering the tax liability.

8.7 EIM Transmission Service Charges

There shall be no incremental transmission charge assessed for transmission use related to the EIM. Participating Resources and Balancing Authority Area Resources will not incur additional transmission service charges under Schedules 7 and 8 solely as a result of EIM Dispatch Instruction.

8.8 Variable Energy Resource Forecast Charge

Any costs incurred by the EPE EIM Entity related to the preparation and submission of resource Forecast Data for a Transmission Customer with a Non-Participating Resource electing either method (1) or (2), as set forth in Section 4.2.4.2 of this Attachment P, shall be allocated to the Transmission Customer with a Non-Participating Resource electing to use either such method.

For a Transmission Customer with a Non-Participating Resource electing method (3), as set forth in Section 4.2.4.2 of this Attachment P, any charges to the EPE EIM Entity pursuant to Section 29.1 1(j)(1) of the MO Tariff for Variable Energy Resource forecast charges shall be suballocated to the Transmission Customer with a Non-Participating Resource requesting such forecast.

8.9 EIM Payment Calendar

Pursuant to Section 29.11(l) of the MO Tariff, the EPE EIM Entity shall be subject to the MO's payment calendar for issuing settlement statements, exchanging invoice funds, submitting meter data, and submitting settlement disputes to the MO. The EPE EIM Entity shall follow Section 7 of this Tariff for issuing invoices regarding the EIM. For any months in which the Transmission Provider's net billing is less than $100, Transmission Provider will roll such amount over for future invoicing on the earlier of the end of the calendar year or once the accumulated charges reach $100 or greater.

8.10 EIM Residual Balancing Account

To the extent that MO EIM-related charges or payments to the EPE EIM Entity are not captured elsewhere in Attachment H-1, Schedules 1, 1A, 4, and 10 of this Tariff, or this Section 8, those charges or payments shall be placed in a balancing account, with interest accruing at the rate established in 18 C.F.R. § 35.19(a)(2)(iii), until EPE makes a filing with the Commission pursuant to Section 205 of the Federal Power Act proposing an allocation methodology.

8.11 Market Validation and Price Correction

If the MO modifies the EPE EIM Entity settlement statement in accordance with the MO's market validation and price correction procedures in the MO Tariff, the EPE EIM Entity reserves the right to make corresponding or similar changes to the charges and payments suballocated under this Attachment P.

8.12 Allocation of Operating Reserves

8.12.1 Payments

Any payments to the EPE EIM Entity pursuant to Section 29.1 1(n)(1) of the MO Tariff for operating reserve obligations shall be sub-allocated to Transmission Customers with EPE EIM Participating Resources in the EPE BAA for Operating Hours during which EIM Transfers from the EPE BAA to another BAA occurred. Payments shall be sub-allocated on a ratio-share basis, defined as the proportion of the volume of Operating Reserves provided by an EPE EIM Participating Resource in the EPE BAA dispatched during the Operating Hour compared to the total volume of Operating Reserves provided by all EPE EIM Participating Resources dispatched in the EPE BAA for the Operating Hour.

8.12.2 Charges

Any charges to the EPE EIM Entity pursuant to Section 29.11(n)(2) of the MO Tariff for Operating Reserve Obligations shall be sub-allocated to Transmission Customers within the EPE BAA based on the Transmission Customer's positive load imbalance ratio share, which is the ratio of the Transmission Customer's positive load imbalance amount (the amount that the Transmission Customer's load exceeds the Transmission Customer's resources) relative to the sum of the positive load imbalances of all other Transmission Customers with such load imbalance amounts for the Operating Hour, expressed as a percentage.

9. Compliance

9.1 Provision of Data

Transmission Customers with EPE EIM Participating Resources and EPE EIM Participating Resource Scheduling Coordinators are responsible for complying with information requests they receive directly from the EIM market monitor or regulatory authorities concerning EIM activities.

A Transmission Customer with EPE EIM Participating Resources or a Transmission Customer with Non-Participating Resources must provide the EPE EIM Entity with all data necessary to respond to information requests received by the EPE EIM Entity from the MO, the EIM market monitor, or regulatory authorities concerning EIM activities.

If the EPE EIM Entity is required by applicable laws or regulations, or in the course of administrative or judicial proceedings, to disclose information that is otherwise required to be maintained in confidence, the EPE EIM Entity may disclose such information; provided, however, that upon the EPE EIM Entity learning of the disclosure requirement and, if possible, prior to making such disclosure, the EPE EIM Entity shall notify any affected party of the requirement and the terms thereof. The party can, at its sole discretion and own cost, direct any challenge to or defense against the disclosure requirement. The EPE EIM Entity shall cooperate with the affected party to obtain proprietary or confidential treatment of confidential information by the person to whom such information is disclosed prior to any such disclosure.

The EPE EIM Entity shall treat all Transmission Customer and Interconnection Customer data and information provided to it as market-sensitive and confidential, unless the EPE EIM Entity is otherwise allowed or required to disclose. The EPE EIM Entity shall continue to abide by the Commission's Standards of Conduct and handle customer information accordingly.

9.2 Rules of Conduct

These rules of conduct are intended to provide fair notice of the conduct expected and to provide an environment in which all parties may participate in the EIM on a fair and equal basis.

Transmission Customers must:

(1) Comply with Dispatch Instructions and EPE EIM Entity operating orders in accordance with Good Utility Practice. If some limitation prevents the Transmission Customer from fulfilling the action requested by the MO or the EPE EIM Entity, the Transmission Customer must immediately and directly communicate the nature of any such limitation to the EPE EIM Entity;
(2) Submit bids for resources that are reasonably expected to both be and remain available and capable of performing at the levels specified in the bid, based on all information that is known or should have been known at the time of submission;
(3) Notify the MO and/or the EPE EIM Entity, as applicable, of outages in accordance with Section 7 of this Attachment P;
(4) Provide complete, accurate, and timely meter data to the EPE EIM Entity in accordance with the metering and communication requirements of this Tariff, and maintain responsibility to ensure the accuracy of such data communicated by any customer-owned metering or communications systems. To the extent such information is not accurate or timely when provided to the EPE EIM Entity, the Transmission Customer shall be responsible for any consequence on settlement and billing;
(5) Provide information to the EPE EIM Entity, including the information requested in Sections 4.2.1, 4.2.2, 4.2.3, 4.2.4 and 9.1 of this Attachment P, by the applicable deadlines; and

(6) Utilize commercially reasonable efforts to ensure that forecasts are accurate and based on all information that is known or should have been known at the time of submission to the EPE EIM Entity.

9.3 Enforcement

The EPE EIM Entity may refer a violation of Section 9.2 of this Attachment P to FERC. Violations of these rules of conduct may be enforced by FERC in accordance with FERC's rules and procedures. Nothing in this Section 9 is meant to limit any other remedy before FERC or any applicable judicial, governmental, or administrative body.

10. Market Contingencies

10.1 Temporary Suspension by the MO

In the event that the MO implements a temporary suspension in accordance with Section 29.1 (d)(1) of the MO Tariff, including the actions identified in Section 29.1 (d)(5), the EPE EIM Entity shall utilize Schedules 4A, 9, 10A, and Sections 15.7 and 28.5 of EPE's Tariff until the temporary suspension is no longer in effect or, if the MO determines to extend the suspension, for a period of time sufficient to process termination of the EPE EIM Entity's participation in the EIM in accordance with Section 29.1(d)(2) of the MO Tariff.

10.2 Termination of Participation in EIM by the EPE EIM Entity

If the EPE EIM Entity submits a notice of termination of its participation in the EIM to the MO in accordance with the applicable agreements and Section 4.1.1.5 of this Attachment P, in order to mitigate price exposure during the 180-day period between submission of the notice and the termination effective date, the EPE EIM Entity may invoke the following corrective actions by requesting that the MO:

(1) prevent EIM Transfers and separate the EPE EIM Entity's BAA from operation of the EIM in the EIM Area; and
(2) suspend settlement of EIM charges with respect to the EPE EIM Entity. Once such corrective actions are implemented by the MO, the EPE EIM Entity shall utilize Schedules 4A, 10A, and Sections 15.7 and 28.5 of EPE's Tariff.

If the EPE EIM Entity takes action under this Section 10.2, the EPE EIM Entity shall notify the MO and Transmission Customers.

10.3 Corrective Actions Taken by the EPE EIM Entity for Temporary Contingencies

The EPE EIM Entity may declare a temporary contingency and invoke corrective actions for the EIM when in its judgment:

(1) operational circumstances (including a failure of the EIM to produce feasible results in EPE's BAA) have caused, or are in danger of causing, an abnormal system condition in EPE's BAA that requires immediate action to prevent

loss of load, equipment damage, or tripping system elements that might result in cascading outages, or to restore system operation to meet the applicable Reliability Standards and reliability criteria established by NERC and WECC; or

(2) communications between the MO and the EPE EIM Entity are disrupted and prevent the EPE EIM Entity, the EPE EIM Entity Scheduling Coordinator, or an EPE EIM Participating Resource Scheduling Coordinator from accessing MO systems to submit or receive information.

10.3.1 Corrective Actions for Temporary Contingencies

If either of the above temporary contingencies occurs, the EPE EIM Entity may invoke the following corrective actions by requesting that the MO:

(1) prevent EIM Transfers and separate the EPE EIM Entity's BAA from operation of the EIM in the EIM Area; and/or
(2) suspend settlement of EIM charges with respect to the EPE EIM Entity.

When corrective action under 10.3.1 (2) is implemented or if the MO Tariff requires the use of these temporary schedules to set an administrative price, the EPE EIM Entity shall utilize Schedules 4A, 10A, and Sections 15.7 and 28.5 of EPE's Tariff.

If the EPE EIM Entity takes action under this Section 10.3, the EPE EIM Entity shall notify the MO and Transmission Customers. The EPE EIM Entity and the MO shall cooperate to resolve the temporary contingency event and restore full EIM operations as soon as is practicable.

Tariff Submitter:	El Paso Electric Company
FERC Tariff Program Name:	FERC FPA Electric Tariff
Tariff Title:	Open Access Transmission Tariff
Tariff Record Proposed Effective Date:	12/31/9998
Tariff Record Title:	OATT, Nonconforming Service Agreements, Powerex to AEPCO, Transfer of Point-To-Point Transmission Service, 0.0.0
Option Code:	A

Nonconforming
ATTACHMENT A-1

Service Agreement For The Transfer Of
Point-To-Point Transmission Service

1. This Service Agreement, dated as of December 6, 2013, is entered into, by and between El Paso Electric Company (the Transmission Provider), Powerex Corp (the Assignor or Reseller) and Arizona Electric Power Cooperative, Inc. (the Assignee).

2. The Assignee has been determined by the Transmission Provider to be an Eligible Customer under the Tariff pursuant to which the transmission service rights to be transferred were originally obtained.

3. The Transmission Provider's transaction-specific approval is required for any transfer that relieves the Assignor of its obligation to pay for service in the event of default by the Assignee. The Transmission Provider has reviewed and approved of this specific transfer. This transfer conveys full rights and obligations of the Assignor to the Assignee.

4. The terms and conditions for the transaction entered into under this Service Agreement shall be subject to the terms and conditions of Part II of the Transmission Provider's Tariff, except for the provisions in Section 23.1 that permit the Transmission Provider to invoice the Assignor in the event of the Assignee's default.

5. The Transmission Provider shall invoice the Assignee for the price reflected in the Assignee's Service Agreement or the associated OASIS schedule.

6. Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

Manager, Energy Analysis, MS#751
100 North Stanton
El Paso, Texas 79901

Assignee:

Director of Energy Services
1000 S. Highway 80
Benson, AZ 85602

7. The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: _____ DIRECTOR, SYSTEM PLANNING DEC 6, 2013
Name DENNIS MALONE Title Date

APPROVED AS TO FORM
OFFICE OF THE GENERAL COUNSEL

Assignee:

By: _____ Executive VP & CEO 12/3/13
Patrick F. Ledger Title Date

Assignor:

By: _____ Managing Director Dec 3, 2013
Name Rob Capelle Title Date

Specifications For The Transfer of Point-To-Point
Transmission Service

1.0 Term of Transaction:

Start Date: January 1 HE 1 2014 or HE 1 of the first day of the first month following FERC approval of this transfer, whichever occurs later

Termination Date: January 1 HE 1 2021

2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.

Transmission Provider is to take receipt of Assignee's power at the Palo Verde 500 kV Substation located in the Balancing Authority Area of Salt River Project.

3.0 Point(s) of Receipt: Palo Verde 500 kV Substation
Delivering Party: Salt River Project

4.0 Point(s) of Delivery: Westwing 500 kV Substation
Receiving Party: Arizona Public Service Company

5.0 Maximum amount of transferred capacity: 23 MW

6.0 Designation of party(ies) subject to reciprocal service obligation: AEPCO

7.0 Name(s) of any Intervening Systems providing transmission service:

Transaction utilizes EPE-owned transmission on jointly-owned transmission lines in the Salt River Project transmission system.

8.1 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

8.2 Transmission Charge:

EPE's long-term Firm Point-to-Point Transmission Service Tariff rate (currently $340.00/MW-month). Provided, that in the event that the Transmission Service under this Service Agreement is redirected to another path pursuant to Tariff Section 22.2, the Transmission Charge shall be the rate specified in EPE's Tariff for Firm Point-to-Point Transmission Service over such path.

8.3 System Impact and/or Facilities Study Charge(s):

8.4 Direct Assignment Facilities Charge:

8.5 Ancillary Services Charges:

Schedule 1: EPE ancillary service Tariff rate (currently $70.00/MW-month); provided, that in the event that the Transmission Service under this Service Agreement is redirected to another path pursuant to Tariff Section 22.2, and the Delivery or Receipt Point is located in the EPE Control Area, Customer shall also be responsible for Schedule 2 charges at the EPE ancillary service Tariff rate (currently $44.00/MW-month). Other ancillary services may apply during the term of this Agreement, and associated charges will be the Tariff rates for such services.

9.0 Name of Reseller of the transferred transmission capacity:

Powerex Corp. TSR #71689850 transferred to Assignee

Tariff Submitter:	El Paso Electric Company
FERC Tariff Program Name:	FERC FPA Electric Tariff
Tariff Title:	Open Access Transmission Tariff
Tariff Record Proposed Effective Date:	January 1, 2014
Tariff Record Title:	OATT, Nonconforming Service Agreements, Service Agreement No. 286, PNM Settlement PTP Rollover, 0.0.0
Option Code:	A

ATTACHMENT A

Form Of Service Agreement For
Firm Point-To-Point Transmission Service

1.0 This Service Agreement, dated as of JAN 2, 2013, is entered into, by and between El Paso Electric Company (the Transmission Provider), and Public Service Company of New Mexico-Wholesale Power Marketing ("Transmission Customer").

2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Firm Point-To-Point Transmission Service under the Tariff.

3.0 The Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Section 17.3 of the Tariff.

4.0 Service under this Service Agreement shall commence on the later of (I) the requested service commencement date, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service under this Service Agreement shall terminate on the service termination date specified in Section 1.0 of the Specifications for Long-Term Firm Point-To-Point Transmission Service.

5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement; provided, however, that Service under this Service Agreement is subject to the conditions and limitations set forth in Article III of the settlement agreement approved in FERC Docket No. ER03-93-000 ("Settlement Agreement"). This Service Agreement represents the Transmission Customer's exercise of its right (set forth in Article IV of the Settlement Agreement) to continue to receive service after December 31, 2013, with such extended service to be provided by Transmission Provider under the terms and conditions set forth in the Settlement Agreement.

6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

El Paso Electric Company
Attention: AVP–System Operations M/S 751
Post Office Box 982
El Paso, TX 79960

Transmission Customer:

Public Service Company of New Mexico-
Wholesale Power Marketing
2401 Aztec Road, NE
Albuquerque, New Mexico 87107

7.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: _____ Name: Jose Nevarez | AVP Title: AVP-System Operations | 1/2/13 Date

Transmission Customer:

By: _____ Name | EVP & CFO Title | 12-20-12 Date

_____ | VP Generation | 12-20-12

Specifications For Long-Term Firm Point-To-Point Transmission Service

1.0 Term of Transaction:

Start Date: Service will start at 00:00 on January 1, 2014. OASIS TSR Ref #77584951, rollover of OASIS Ref # 72305910.

Termination Date: Service will terminate on 00:00 on January 1, 2019.

2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.

Generation Dependent Service: 111 MW. Transaction originates in El Paso Electric Control Area. Transmission Customer understands that Transmission Provider has determined that it will have Available Transmission Capacity to provide Generation Dependent Service only in circumstances where the Afton Generating Station is generating power to the grid, and all of the Non-Generation Dependent Service (TSR #77584962) is being used for the delivery of electricity generated at the Afton Generating Station to West Mesa. Therefore, firm Generation Dependent Service shall only be available for the delivery of electricity generated at the Afton Generation Station to West Mesa, during hours when all 30 MW of the Non-Generation Dependent Service (TSR #77584962) is also being used for the delivery of electricity generated at the Afton Generation Station to West Mesa. Transmission Provider makes no representation that it will be able to provide Generation Dependent Service for the delivery of power from alternative generation sources. Additional restrictions and conditions are set forth in Article III of the Settlement Agreement.

3.0 Point(s) of Receipt: Afton 345 kV Substation

Delivering Party: Public Service Company of New Mexico

4.0 Point(s) of Delivery: West Mesa 345 kV Substation

Receiving Party: Public Service Company of New Mexico

5.0 Maximum amount of capacity and energy to be transmitted (Reserved Capacity):

111 MW.

6.0 Designation of party(ies) subject to reciprocal service obligation:

Public Service Company of New Mexico

7.0 Name(s) of any Intervening Systems providing transmission service:

None.

8.0 Service under this Service Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the EPE Tariff.)

8.1 Transmission Charge (including charges for Network Upgrades):

EPE's long-term Point-to-Point firm transmission service Tariff rate of $2,310/MW-month. Provided, that in the event that the Transmission Service under this Service Agreement is redirected to another path pursuant to Tariff Section 22.2, the Transmission Charge shall be the rate specified in EPE's Tariff for Firm Point-to-Point Transmission Service over such path.

8.2 System Impact and/or Facilities Study Charge(s):

None

8.3 Direct Assignment Facilities Charge: None

8.4 Ancillary Services Charges: EPE's effective Schedule 1 rate (currently $70.00/MW-month) and Schedule 2 rate (currently $44.00/MW-month).

Tariff Submitter:	El Paso Electric Company
FERC Tariff Program Name:	FERC FPA Electric Tariff
Tariff Title:	Open Access Transmission Tariff
Tariff Record Proposed Effective Date:	January 28, 2023
Tariff Record Title:	OATT, Nonconforming Service Agreements, Service Agreement No. 367, Unexecuted LGIA with Solar PV Development NM 29 II, 0.2.0
Option Code:	A
The Entity Receiving Service Under the Agreement:	El Paso Electric Company
Brief Description of the Service Agreement:	Unexecuted LGIA

Appendix 6. STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT (LGIA)

Appendix 6 to the Standard Large Generator Interconnection Procedures

STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT (LGIA)

(Applicable to Generating Facilities that exceed 20 MW)

Appendix 6. STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT (LGIA)

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Standard Large Generator Interconnection Agreement

STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT

THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT ("Agreement") is made and entered into this ____ day of November 2022, by and between Solar PV Development NM 18 II LLC, a limited liability company organized and existing under the laws of the State/Commonwealth of Delaware ("Interconnection Customer" with a Large Generating Facility), and El Paso Electric Company, a corporation organized and existing under the laws of the State/Commonwealth of Texas ("Transmission Provider and/or Transmission Owner"). Interconnection Customer and Transmission Provider each may be referred to as a "Party" or collectively as the "Parties."

Recitals

WHEREAS, Transmission Provider operates the Transmission System; and

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the Generating Facility identified as a Large Generating Facility in Appendix C to this Agreement; and,

WHEREAS, Interconnection Customer and Transmission Provider have agreed to enter into this Agreement for the purpose of interconnecting the Large Generating Facility with the Transmission System;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

When used in this Standard Large Generator Interconnection Agreement, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used or the Open Access Transmission Tariff (Tariff).

Article 1. Definitions

Adverse System Impact shall mean the negative effects due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.

Affected System shall mean an electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

Affiliate shall mean, with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

Ancillary Services shall mean those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Council shall mean the reliability council applicable to the Transmission System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Transmission System to which the Generating Facility is directly interconnected.

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies by the Transmission Provider or Interconnection Customer.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the Standard Large Generator Interconnection Agreement.

Breaching Party shall mean a Party that is in Breach of the Standard Large Generator Interconnection Agreement.

Business Day shall mean Monday through Friday, excluding Federal Holidays.

Calendar Day shall mean any day including Saturday, Sunday or a Federal Holiday.

Clustering shall mean the process whereby a group of Interconnection Requests is studied together, instead of serially, for the purpose of conducting the Interconnection System Impact Study.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of a unit shall mean the date on which the Generating

Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Standard Large Generator Interconnection Agreement.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Control Area shall mean an electrical system or systems bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the interconnection. A Control Area must be certified by the Applicable Reliability Council.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Standard Large Generator Interconnection Agreement.

Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution System shall mean the Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

Distribution Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which the Standard Large Generator Interconnection Agreement becomes effective upon execution by the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of a Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Transmission Provider's Transmission System, Transmission Provider's Interconnection Facilities or the electric systems of others to which the Transmission Provider's Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as

determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by the Standard Large Generator Interconnection Agreement to possess black start capability.

Energy Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to connect its Generating Facility to the Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or nonfirm capacity of the Transmission Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

Engineering & Procurement (E&P) Agreement shall mean an agreement that authorizes the Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a et seq.

FERC shall mean the Federal Energy Regulatory Commission (Commission) or its successor.

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility shall mean Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Generating Facility Capacity shall mean the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.

Good Utility Practice shall mean any of the practices, methods and acts engaged in or

approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer, Transmission Provider, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Transmission Provider's Interconnection Facilities to obtain back feed power.

Interconnection Customer shall mean any entity, including the Transmission Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the Transmission Provider's Transmission System. Where the Interconnection Customer and the Transmission Provider are the same entity, application of the following provisions set forth herein is not required: provisions governing the posting of security (in Articles 5 and 11), provisions governing taxes and reimbursements for tax liability (in Article 5), provisions governing indemnity, consequential damages and insurance (in Article 18), and provisions governing billing and payment (in Articles 12 and 15) (invoices are not required, but may be generated and tendered for administrative use to aid in the identification and accounting of costs).

Interconnection Customer's Interconnection Facilities shall mean all facilities and

equipment, as identified in Appendix A of the Standard Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean the Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Study shall mean a study conducted by the Transmission Provider or a third party consultant for the Interconnection Customer to determine a list of facilities (including Transmission Provider's Interconnection Facilities and Network Upgrades as identified in the Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Transmission Provider's Transmission System. The scope of the study is defined in Section 8 of the Standard Large Generator Interconnection Procedures.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 3 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Facilities Study.

Interconnection Feasibility Study shall mean a preliminary evaluation of the system impact and cost of interconnecting the Generating Facility to the Transmission Provider's Transmission System, the scope of which is described in Section 6 of the Standard Large Generator Interconnection Procedures.

Interconnection Feasibility Study Agreement shall mean the form of agreement contained in Appendix 2 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Feasibility Study.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to the Standard Large Generator Interconnection Procedures, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider's Transmission System.

Interconnection Service shall mean the service provided by the Transmission Provider

associated with interconnecting the Interconnection Customer's Generating Facility to the Transmission Provider's Transmission System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Standard Large Generator Interconnection Agreement and, if applicable, the Transmission Provider's Tariff.

Interconnection Study shall mean any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study described in the Standard Large Generator Interconnection Procedures.

Interconnection System Impact Study shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of Transmission Provider's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in the Interconnection Feasibility Study, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Standard Large Generator Interconnection Procedures.

Interconnection System Impact Study Agreement shall mean the form of agreement contained in Appendix 3 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection System Impact Study.

IRS shall mean the Internal Revenue Service.

Joint Operating Committee shall be a group made up of representatives from Interconnection Customers and the Transmission Provider to coordinate operating and technical considerations of Interconnection Service.

Large Generating Facility shall mean a Generating Facility having a Generating Facility Capacity of more than 20 MW.

Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non performance of its obligations under the Standard Large Generator Interconnection Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnifying Party.

Material Modification shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Metering Equipment shall mean all metering equipment installed or to be installed at

the Generating Facility pursuant to the Standard Large Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

NERC shall mean the North American Electric Reliability Council or its successor organization.

Network Resource shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Network Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission Provider's Transmission System (1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Facilities connect to the Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Standard Large Generator Interconnection Agreement or its performance.

Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 5 of the Standard Large Generator Interconnection Procedures for conducting the Optional Interconnection Study.

Party or **Parties** shall mean Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Customer's

Interconnection Facilities connect to the Transmission Provider's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Facilities connect to the Transmission Provider's Transmission System.

Provisional Interconnection Service shall mean Interconnection Service provided by Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to Transmission Provider's Transmission System and enabling that Transmission System to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

Provisional Large Generator Interconnection Agreement shall mean the interconnection agreement for Provisional Interconnection Service established between Transmission Provider and/or the Transmission Owner and the Interconnection Customer. This agreement shall take the form of the Large Generator Interconnection Agreement, modified for provisional purposes.

Queue Position shall mean the order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by the Transmission Provider.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Standard Large Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Scoping Meeting shall mean the meeting between representatives of the Interconnection Customer and Transmission Provider conducted for the purpose of discussing alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection.

Site Control shall mean documentation reasonably demonstrating: (1) ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Generating Facility; (2) an option to purchase or acquire a leasehold site for such purpose; or (3) an exclusivity or other business relationship between Interconnection Customer and the entity having the right to sell, lease or grant Interconnection Customer the right to possess or occupy a site for such purpose.

Small Generating Facility shall mean a Generating Facility that has a Generating Facility Capacity of no more than 20 MW. **Stand Alone Network Upgrades** shall mean

Network Upgrades that are not part of an Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Large Generator Interconnection Agreement. If the Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, the Transmission Provider must provide the Interconnection Customer a written technical explanation outlining why the Transmission Provider does not consider the Network Upgrade to be a Stand Alone Network Upgrade within 15 days of its determination.

Standard Large Generator Interconnection Agreement (LGIA) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility that is included in the Transmission Provider's Tariff.

Standard Large Generator Interconnection Procedures (LGIP) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that are included in the Transmission Provider's Tariff.

Surplus Interconnection Service shall mean any unneeded portion of Interconnection Service established in a Large Generator Interconnection Agreement, such that if Surplus Interconnection Service is utilized the total amount of Interconnection Service at the Point of Interconnection would remain the same.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Transmission Provider's Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Transmission Provider's Transmission System or on other delivery systems or other generating systems to which the Transmission Provider's Transmission System is directly connected.

Tariff shall mean the Transmission Provider's Tariff through which open access transmission service and Interconnection Service are offered, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

Transmission Owner shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Standard Large Generator Interconnection Agreement to the extent necessary.

Transmission Provider shall mean the public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the

Transmission Owner is separate from the Transmission Provider.

Transmission Provider's Interconnection Facilities shall mean all facilities and equipment owned, controlled or operated by the Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Standard Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Transmission System shall mean the facilities owned, controlled or operated by the Transmission Provider or Transmission Owner that are used to provide transmission service under the Tariff.

Trial Operation shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

Variable Energy Resource shall mean a device for the production of electricity that is characterized by an energy source that: (1) is renewable; (2) cannot be stored by the facility owner or operator; and (3) has variability that is beyond the control of the facility owner or operator.

Article 2. Effective Date, Term, and Termination

2.1 Effective Date. This LGIA shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC. Transmission Provider shall promptly file this LGIA with FERC upon execution in accordance with Article 3.1, if required.

2.2 Term of Agreement. Subject to the provisions of Article 2.3, this LGIA shall remain in effect for a period of ten (10) years from the Effective Date or such other longer period as Interconnection Customer may request (Term to be specified in individual agreements) and shall be automatically renewed for each successive one-year period thereafter.

2.3 Termination Procedures.

2.3.1 Written Notice. This LGIA may be terminated by Interconnection Customer after giving Transmission Provider ninety (90) Calendar Days advance written notice, or by Transmission Provider notifying FERC after the Generating Facility permanently ceases Commercial Operation.

2.3.2 Default. Either Party may terminate this LGIA in accordance with Article 17.

2.3.3. Notwithstanding Articles 2.3.1 and 2.3.2, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this LGIA, which notice has been accepted for filing by FERC.

2.4 Termination Costs. If a Party elects to terminate this Agreement pursuant to Article 2.3 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party, as of the date of the other Party's receipt of such notice of termination, that are the responsibility of the Terminating Party under this LGIA. In the event of termination by a Party, the Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this LGIA, unless otherwise ordered or approved by FERC:

2.4.1 With respect to any portion of Transmission Provider's Interconnection Facilities that have not yet been constructed or installed, Transmission Provider shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Transmission Provider shall deliver such material and equipment, and, if necessary, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Transmission Provider for any or all such costs of materials or equipment not taken by Interconnection Customer, Transmission Provider shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by Transmission Provider to cancel any pending orders of or return such materials, equipment, or contracts.

If an Interconnection Customer terminates this LGIA, it shall be responsible for all costs incurred in association with that Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any Network Upgrades for which Transmission Provider has incurred expenses and has not been reimbursed by Interconnection Customer.

2.4.2 Transmission Provider may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Transmission Provider shall be responsible for all costs associated with procuring such materials, equipment, or facilities.

2.4.3 With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this LGIA, Interconnection Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

2.5 **Disconnection**. Upon termination of this LGIA, the Parties will take all appropriate steps to disconnect the Large Generating Facility from the Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the nonterminating Party's Default of this LGIA or such non-terminating Party otherwise is responsible for these costs under this LGIA.

2.6 **Survival**. This LGIA shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this LGIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this LGIA was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this LGIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

Article 3. Regulatory Filings

3.1 **Filing**. Transmission Provider shall file this LGIA (and any amendment hereto) with the appropriate Governmental Authority, if required. Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 22. If Interconnection Customer has executed this LGIA, or any amendment thereto, Interconnection Customer shall reasonably cooperate with Transmission Provider with respect to such filing and to provide any information reasonably requested by Transmission Provider needed to comply with applicable regulatory requirements.

Article 4. Scope of Service

4.1 **Interconnection Product Options**. Interconnection Customer has selected the following (checked) type of Interconnection Service:

4.1.1 Energy Resource Interconnection Service

4.1.1.1 **The Product**. Energy Resource Interconnection Service allows Interconnection Customer to connect the Large Generating Facility to the Transmission System and be eligible to deliver the Large Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an "as available" basis. To the extent Interconnection Customer wants to receive Energy

Resource Interconnection Service, Transmission Provider shall construct facilities identified in Attachment A.

4.1.1.2 **Transmission Delivery Service Implications**. Under Energy Resource Interconnection Service, Interconnection Customer will be eligible to inject power from the Large Generating Facility into and deliver power across the interconnecting Transmission Provider's Transmission System on an "as available" basis up to the amount of MWs identified in the applicable stability and steady state studies to the extent the upgrades initially required to qualify for Energy Resource Interconnection Service have been constructed. Where eligible to do so (e.g., PJM, ISONE, NYISO), Interconnection Customer may place a bid to sell into the market up to the maximum identified Large Generating Facility output, subject to any conditions specified in the interconnection service approval, and the Large Generating Facility will be dispatched to the extent Interconnection Customer's bid clears. In all other instances, no transmission delivery service from the Large Generating Facility is assured, but Interconnection Customer may obtain Point-to-Point Transmission Service, Network Integration Transmission Service, or be used for secondary network transmission service, pursuant to Transmission Provider's Tariff, up to the maximum output identified in the stability and steady state studies. In those instances, in order for Interconnection Customer to obtain the right to deliver or inject energy beyond the Large Generating Facility Point of Interconnection or to improve its ability to do so, transmission delivery service must be obtained pursuant to the provisions of Transmission Provider's Tariff. The Interconnection Customer's ability to inject its Large Generating Facility output beyond the Point of Interconnection, therefore, will depend on the existing capacity of Transmission Provider's Transmission System at such time as a transmission service request is made that would accommodate such delivery. The provision of firm Point-to-Point Transmission Service or Network Integration Transmission Service may require the construction of additional Network Upgrades.

4.1.2 Network Resource Interconnection Service. √

4.1.2.1 **The Product**. Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility (1) in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an ISO or RTO with market

based congestion management, in the same manner as all Network Resources. To the extent Interconnection Customer wants to receive Network Resource Interconnection Service, Transmission Provider shall construct the facilities identified in Attachment A to this LGIA.

4.1.2.2 **Transmission Delivery Service Implications**. Network Resource Interconnection Service allows Interconnection Customer's Large Generating Facility to be designated by any Network Customer under the Tariff on Transmission Provider's Transmission System as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur. Although Network Resource Interconnection Service does not convey a reservation of transmission service, any Network Customer under the Tariff can utilize its network service under the Tariff to obtain delivery of energy from the interconnected Interconnection Customer's Large Generating Facility in the same manner as it accesses Network Resources. A Large Generating Facility receiving Network Resource Interconnection Service may also be used to provide Ancillary Services after technical studies and/or periodic analyses are performed with respect to the Large Generating Facility's ability to provide any applicable Ancillary Services, provided that such studies and analyses have been or would be required in connection with the provision of such Ancillary Services by any existing Network Resource. However, if an Interconnection Customer's Large Generating Facility has not been designated as a Network Resource by any load, it cannot be required to provide Ancillary Services except to the extent such requirements extend to all generating facilities that are similarly situated. The provision of Network Integration Transmission Service or firm Point-to-Point Transmission Service may require additional studies and the construction of additional upgrades. Because such studies and upgrades would be associated with a request for delivery service under the Tariff, cost responsibility for the studies and upgrades would be in accordance with FERC's policy for pricing transmission delivery services. Network Resource Interconnection Service does not necessarily provide Interconnection Customer with the capability to physically deliver the output of its Large Generating Facility to any particular load on Transmission Provider's Transmission System without incurring congestion costs. In the event of transmission constraints on Transmission Provider's Transmission System,

Interconnection Customer's Large Generating Facility shall be subject to the applicable congestion management procedures in Transmission Provider's Transmission System in the same manner as Network Resources.

There is no requirement either at the time of study or interconnection, or at any point in the future, that Interconnection Customer's Large Generating Facility be designated as a Network Resource by a Network Service Customer under the Tariff or that Interconnection Customer identify a specific buyer (or sink). To the extent a Network Customer does designate the Large Generating Facility as a Network Resource, it must do so pursuant to Transmission Provider's Tariff.

Once an Interconnection Customer satisfies the requirements for obtaining Network Resource Interconnection Service, any future transmission service request for delivery from the Large Generating Facility within Transmission Provider's Transmission System of any amount of capacity and/or energy, up to the amount initially studied, will not require that any additional studies be performed or that any further upgrades associated with such Large Generating Facility be undertaken, regardless of whether or not such Large Generating Facility is ever designated by a Network Customer as a Network Resource and regardless of changes in ownership of the Large Generating Facility. However, the reduction or elimination of congestion or redispatch costs may require additional studies and the construction of additional upgrades.

To the extent Interconnection Customer enters into an arrangement for long term transmission service for deliveries from the Large Generating Facility outside Transmission Provider's Transmission System, such request may require additional studies and upgrades in order for Transmission Provider to grant such request.

4.2 **Provision of Service**. Transmission Provider shall provide Interconnection Service for the Large Generating Facility at the Point of Interconnection.

4.3 **Performance Standards**. Each Party shall perform all of its obligations under this LGIA in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this LGIA for its compliance therewith. If such Party is a Transmission Provider or Transmission Owner, then that Party shall amend the LGIA and submit the

amendment to FERC for approval.

4.4 No Transmission Delivery Service. The execution of this LGIA does not constitute a request for, nor the provision of, any transmission delivery service under Transmission Provider's Tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.

4.5 Interconnection Customer Provided Services. The services provided by Interconnection Customer under this LGIA are set forth in Article 9.6 and Article 13.5.1. Interconnection Customer shall be paid for such services in accordance with Article 11.6.

Article 5. Interconnection Facilities Engineering, Procurement, and Construction

5.1 Options. Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either Standard Option or Alternate Option set forth below, and such dates and selected option shall be set forth in Appendix B, Milestones. At the same time, Interconnection Customer shall indicate whether it elects to exercise the Option to Build set forth in Article 5.1.3 below. If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days. Upon receipt of the notification that Interconnection Customer's designated dates are not acceptable to Transmission Provider, the Interconnection Customer shall notify Transmission Provider within thirty (30) Calendar Days whether it elects to exercise the Option to Build if it has not already elected to exercise the Option to Build.

5.1.1 Standard Option. Transmission Provider shall design, procure, and construct Transmission Provider's Interconnection Facilities and Network Upgrades, using Reasonable Efforts to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the dates set forth in Appendix B, Milestones. Transmission Provider shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event Transmission Provider reasonably expects that it will not be able to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the specified dates, Transmission Provider shall promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

5.1.2 Alternate Option. If the dates designated by Interconnection Customer are acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days, and shall assume

responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities by the designated dates.

If Transmission Provider subsequently fails to complete Transmission Provider's Interconnection Facilities by the In-Service Date, to the extent necessary to provide back feed power; or fails to complete Network Upgrades by the Initial Synchronization Date to the extent necessary to allow for Trial Operation at full power output, unless other arrangements are made by the Parties for such Trial Operation; or fails to complete the Network Upgrades by the Commercial Operation Date, as such dates are reflected in Appendix B, Milestones; Transmission Provider shall pay Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by Interconnection Customer shall be extended day for day for each day that the applicable RTO or ISO refuses to grant clearances to install equipment.

5.1.3 Option to Build. Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades on the dates specified in Article 5.1.2. Transmission Provider and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A. Except for Stand Alone Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option.

5.1.4 Negotiated Option. If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, the Parties shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates and liquidated damages, the provision of incentives, or the procurement and construction of all facilities other than Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades if the Interconnection Customer elects to exercise the Option to Build under Article 5.1.3). If the Parties are unable to reach agreement on such terms and conditions, then, pursuant to article 5.1.1 (Standard Option), Transmission Provider shall assume responsibility for the design, procurement and construction of all facilities other than Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades if the Interconnection Customer elects to exercise the Option to Build.

5.2 General Conditions Applicable to Option to Build. If Interconnection Customer assumes responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades,

(1) Interconnection Customer shall engineer, procure equipment, and construct

Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by Transmission Provider;

(2) Interconnection Customer's engineering, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of law to which Transmission Provider would be subject in the engineering, procurement or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(3) Transmission Provider shall review and approve the engineering design, equipment acceptance tests, and the construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(4) prior to commencement of construction, Interconnection Customer shall provide to Transmission Provider a schedule for construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for information from Transmission Provider;

(5) at any time during construction, Transmission Provider shall have the right to gain unrestricted access to Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;

(6) at any time during construction, should any phase of the engineering, equipment procurement, or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by Transmission Provider, Interconnection Customer shall be obligated to remedy deficiencies in that portion of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(7) Interconnection Customer shall indemnify Transmission Provider for claims arising from Interconnection Customer's construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades under the terms and procedures applicable to Article 18.1 Indemnity;

(8) Interconnection Customer shall transfer control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to Transmission Provider;

(9) Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Transmission Provider's Interconnection Facilities and Stand-Alone Network Upgrades to Transmission Provider;

(10) Transmission Provider shall approve and accept for operation and maintenance Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to the extent engineered, procured, and constructed in accordance with this Article 5.2; and

(11) Interconnection Customer shall deliver to Transmission Provider "asbuilt" drawings, information, and any other documents that are reasonably required by Transmission Provider to assure that the Interconnection Facilities and Stand Alone Network Upgrades are built to the standards and specifications required by Transmission Provider.

(12) If Interconnection Customer exercises the Option to Build pursuant to Article 5.1.3, Interconnection Customer shall pay Transmission Provider an agreed upon amount of [$ PLACEHOLDER] for Transmission Provider to execute the responsibilities enumerated to Transmission Provider under Article 5.2. Transmission Provider shall invoice Interconnection Customer for this total amount to be divided on a monthly basis pursuant to Article 12.

5.3 Liquidated Damages. The actual damages to Interconnection Customer, in the event Transmission Provider's Interconnection Facilities or Network Upgrades are not completed by the dates designated by Interconnection Customer and accepted by Transmission Provider pursuant to subparagraphs 5.1.2 or 5.1.4, above, may include Interconnection Customer's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of such uncertainty, any liquidated damages paid by Transmission Provider to Interconnection Customer in the event that Transmission Provider does not complete any portion of Transmission Provider's Interconnection Facilities or Network Upgrades by the applicable dates, shall be an amount equal to ½ of 1 percent per day of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades, in the aggregate, for which Transmission Provider has assumed responsibility to design, procure and construct.

However, in no event shall the total liquidated damages exceed 20 percent of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades for which Transmission Provider has assumed responsibility to design, procure, and construct. The foregoing payments will be made by Transmission Provider to Interconnection Customer as just compensation for the damages caused to Interconnection Customer, which actual damages are uncertain and impossible to determine at this time, and as reasonable liquidated damages, but not as a penalty or a method to secure performance of this LGIA. Liquidated damages, when the Parties agree to them, are the exclusive remedy for the Transmission Provider's failure to meet its schedule.

No liquidated damages shall be paid to Interconnection Customer if: (1) Interconnection Customer is not ready to commence use of Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for the Large Generating Facility's Trial Operation or to export power from the Large Generating Facility on the specified dates, unless Interconnection Customer would have been able to commence use of Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for Large Generating Facility's Trial Operation or to export power from the Large Generating Facility, but for Transmission Provider's delay; (2) Transmission Provider's failure to meet the specified dates is the result of the action or inaction of Interconnection Customer or any other Interconnection Customer who has entered into an LGIA with Transmission Provider or any cause beyond Transmission Provider's reasonable control or reasonable ability to cure; (3) the Interconnection Customer has assumed responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades; or (4) the Parties have otherwise agreed.

5.4 **Power System Stabilizers**. The Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with the guidelines and procedures established by the Applicable Reliability Council. Transmission Provider reserves the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative. The requirements of this paragraph shall not apply to wind generators.

5.5 **Equipment Procurement**. If responsibility for construction of Transmission Provider's Interconnection Facilities or Network Upgrades is to be borne by Transmission Provider, then Transmission Provider shall commence design of Transmission Provider's Interconnection Facilities or Network Upgrades and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

5.5.1 Transmission Provider has completed the Facilities Study pursuant to the Facilities Study Agreement;

5.5.2 Transmission Provider has received written authorization to proceed with design and procurement from Interconnection Customer by the date specified in Appendix B, Milestones; and

5.5.3 Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.6 Construction Commencement. Transmission Provider shall commence construction of Transmission Provider's Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:

5.6.1 Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;

5.6.2 Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of Transmission Provider's Interconnection Facilities and Network Upgrades;

5.6.3 Transmission Provider has received written authorization to proceed with construction from Interconnection Customer by the date specified in Appendix B, Milestones; and

5.6.4 Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.7 Work Progress. The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, at any time, request a progress report from the other Party. If, at any time, Interconnection Customer determines that the completion of Transmission Provider's Interconnection Facilities will not be required until after the specified In-Service Date, Interconnection Customer will provide written notice to Transmission Provider of such later date upon which the completion of Transmission Provider's Interconnection Facilities will be required.

5.8 Information Exchange. As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with Transmission Provider's Transmission System, and shall work diligently and in good faith to make any necessary design changes.

5.9 Other Interconnection Options

5.9.1. Limited Operation. If any of Transmission Provider's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Large Generating Facility, Transmission Provider shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Large Generating Facility and Interconnection Customer's Interconnection Facilities may operate prior to the completion of Transmission Provider's

Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA. Transmission Provider shall permit Interconnection Customer to operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.

5.9.2 Provisional Interconnection Service. Upon the request of Interconnection Customer, and prior to completion of requisite Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities Transmission Provider may execute a Provisional Large Generator Interconnection Agreement or Interconnection Customer may request the filing of an unexecuted Provisional Large Generator Interconnection Agreement with the Interconnection Customer for limited Interconnection Service at the discretion of Transmission Provider based upon an evaluation that will consider the results of available studies. Transmission Provider shall determine, through available studies or additional studies as necessary, whether stability, short circuit, thermal, and/or voltage issues would arise if Interconnection Customer interconnects without modifications to the Generating Facility or Transmission System. Transmission Provider shall determine whether any Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities that are necessary to meet the requirements of NERC, or any applicable Regional Entity for the interconnection of a new, modified and/or expanded Generating Facility are in place prior to the commencement of Interconnection Service from the Generating Facility. Where available studies indicate that such, Interconnection Facilities, Network Upgrades, Distribution Upgrades, and/or System Protection Facilities that are required for the interconnection of a new, modified and/or expanded Generating Facility are not currently in place, Transmission Provider will perform a study, at the Interconnection Customer's expense, to confirm the facilities that are required for Provisional Interconnection Service. The maximum permissible output of the Generating Facility in the Provisional Large Generator Interconnection Agreement shall be studied and updated on an annual frequency at the Interconnection Customer's expense. Interconnection Customer assumes all risk and liabilities with respect to changes between the Provisional Large Generator Interconnection Agreement and the Large Generator Interconnection Agreement, including changes in output limits and Interconnection Facilities, Network Upgrades, Distribution Upgrades, and/or System Protection Facilities cost responsibilities.

5.10 Interconnection Customer's Interconnection Facilities ('ICIF'). Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set

forth in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.10.1 Interconnection Customer's Interconnection Facility Specifications. Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Transmission Provider at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. Transmission Provider shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

5.10.2 Transmission Provider's Review. Transmission Provider's review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be required by Transmission Provider, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider.

5.10.3 ICIF Construction. The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information and documents for the ICIF, such as: a one-line diagram, a site plan showing the Large Generating Facility and the ICIF, plan and elevation drawings showing the layout of the ICIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with Interconnection Customer's step-up transformers, the facilities connecting the Large Generating Facility to the step-up transformers and the ICIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Large Generating Facility. The Interconnection Customer shall provide Transmission Provider specifications for the excitation system, automatic voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

5.11 Transmission Provider's Interconnection Facilities Construction. Transmission Provider's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar

Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Transmission Provider shall deliver to Interconnection Customer the following "as-built" drawings, information and documents for Transmission Provider's Interconnection Facilities (include appropriate drawings and relay diagrams).

Transmission Provider will obtain control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities.

5.12 **Access Rights**. Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish at no cost to the other Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large Generating Facility with the Transmission System; (ii) operate and maintain the Large Generating Facility, the Interconnection Facilities and the Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this LGIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.

5.13 **Lands of Other Property Owners**. If any part of Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or Transmission Provider or Transmission Owner, Transmission Provider or Transmission Owner shall at Interconnection Customer's expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades upon such property.

5.14 **Permits**. Transmission Provider or Transmission Owner and Interconnection Customer shall cooperate with each other in good faith in obtaining all permits, licenses and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. With respect to this paragraph, Transmission Provider or Transmission Owner shall provide permitting assistance to Interconnection Customer comparable to that provided to Transmission Provider's own, or an Affiliate's generation.

5.15 Early Construction of Base Case Facilities. Interconnection Customer may request Transmission Provider to construct, and Transmission Provider shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Network Upgrades required for Interconnection Customer to be interconnected to the Transmission System which are included in the Base Case of the Facilities Study for Interconnection Customer, and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.

5.16 Suspension. Interconnection Customer reserves the right, upon written notice to Transmission Provider, to suspend at any time all work by Transmission Provider associated with the construction and installation of Transmission Provider's Interconnection Facilities and/or Network Upgrades required under this LGIA with the condition that Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Transmission Provider's safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Transmission Provider (i) has incurred pursuant to this LGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Transmission Provider cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Transmission Provider shall obtain Interconnection Customer's authorization to do so.

Transmission Provider shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by Transmission Provider required under this LGIA pursuant to this Article 5.16, and has not requested Transmission Provider to recommence the work required under this LGIA on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The threeyear period shall begin on the date the suspension is requested, or the date of the written notice to Transmission Provider, if no effective date is specified.

5.17 Taxes.

5.17.1 Interconnection Customer Payments Not Taxable. The Parties intend that all payments or property transfers made by Interconnection Customer to Transmission Provider for the installation of Transmission Provider's Interconnection Facilities and the Network Upgrades shall be non-taxable, either as contributions to capital, or as an advance, in accordance with the

Internal Revenue Code and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the Internal Revenue Code and any applicable state income tax laws.

5.17.2 Representations and Covenants. In accordance with IRS Notice 2001-82 and IRS Notice 88-129, Interconnection Customer represents and covenants that (i) ownership of the electricity generated at the Large Generating Facility will pass to another party prior to the transmission of the electricity on the Transmission System, (ii) for income tax purposes, the amount of any payments and the cost of any property transferred to Transmission Provider for Transmission Provider's Interconnection Facilities will be capitalized by Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of Transmission Provider's Interconnection Facilities that is a "dual-use intertie," within the meaning of IRS Notice 88-129, is reasonably expected to carry only a de minimis amount of electricity in the direction of the Large Generating Facility. For this purpose, "de minimis amount" means no more than 5 percent of the total power flows in both directions, calculated in accordance with the "5 percent test" set forth in IRS Notice 88-129. This is not intended to be an exclusive list of the relevant conditions that must be met to conform to IRS requirements for non-taxable treatment.

At Transmission Provider's request, Interconnection Customer shall provide Transmission Provider with a report from an independent engineer confirming its representation in clause (iii), above. Transmission Provider represents and covenants that the cost of Transmission Provider's Interconnection Facilities paid for by Interconnection Customer will have no net effect on the base upon which rates are determined.

5.17.3 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon the Transmission Provider. Notwithstanding Article 5.17.1, Interconnection Customer shall protect, indemnify and hold harmless Transmission Provider from the cost consequences of any current tax liability imposed against Transmission Provider as the result of payments or property transfers made by Interconnection Customer to Transmission Provider under this LGIA for Interconnection Facilities, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Transmission Provider.

Transmission Provider shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection Customer under this LGIA unless (i) Transmission

Provider has determined, in good faith, that the payments or property transfers made by Interconnection Customer to Transmission Provider should be reported as income subject to taxation or (ii) any Governmental Authority directs Transmission Provider to report payments or property as income subject to taxation; provided, however, that Transmission Provider may require Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to Transmission Provider (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 5.17. Interconnection Customer shall reimburse Transmission Provider for such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within thirty (30) Calendar Days of receiving written notification from Transmission Provider of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten year testing period and the applicable statute of limitation, as it may be extended by Transmission Provider upon request of the IRS, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 5.17.

5.17.4 Tax Gross-Up Amount. Interconnection Customer's liability for the cost consequences of any current tax liability under this Article 5.17 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that Interconnection Customer will pay Transmission Provider, in addition to the amount paid for the Interconnection Facilities and Network Upgrades, an amount equal to (1) the current taxes imposed on Transmission Provider ("Current Taxes") on the excess of (a) the gross income realized by Transmission Provider as a result of payments or property transfers made by Interconnection Customer to Transmission Provider under this LGIA (without regard to any payments under this Article 5.17) (the "Gross Income Amount") over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the "Present Value Depreciation Amount"), plus (2) an additional amount sufficient to permit Transmission Provider to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1).

For this purpose, (i) Current Taxes shall be computed based on Transmission Provider's composite federal and state tax rates at the time the payments or property transfers are received and Transmission Provider will be treated as being subject to tax at the highest marginal rates in effect

at that time (the "Current Tax Rate"), and (ii) the Present Value Depreciation Amount shall be computed by discounting Transmission Provider's anticipated tax depreciation deductions as a result of such payments or property transfers by Transmission Provider's current weighted average cost of capital. Thus, the formula for calculating Interconnection Customer's liability to Transmission Owner pursuant to this Article 5.17.4 can be expressed as follows: (Current Tax Rate x (Gross Income Amount - Present Value of Tax Depreciation))/(1Current Tax Rate). Interconnection Customer's estimated tax liability in the event taxes are imposed shall be stated in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.17.5 Private Letter Ruling or Change or Clarification of Law. At Interconnection Customer's request and expense, Transmission Provider shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Interconnection Customer to Transmission Provider under this LGIA are subject to federal income taxation. Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Interconnection Customer's knowledge. Transmission Provider and Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

Transmission Provider shall keep Interconnection Customer fully informed of the status of such request for a private letter ruling and shall execute either a privacy act waiver or a limited power of attorney, in a form acceptable to the IRS, that authorizes Interconnection Customer to participate in all discussions with the IRS regarding such request for a private letter ruling. Transmission Provider shall allow Interconnection Customer to attend all meetings with IRS officials about the request and shall permit Interconnection Customer to prepare the initial drafts of any follow-up letters in connection with the request.

5.17.6 Subsequent Taxable Events. If, within 10 years from the date on which the relevant Transmission Provider's Interconnection Facilities are placed in service, (i) Interconnection Customer Breaches the covenants contained in Article 5.17.2, (ii) a "disqualification event" occurs within the meaning of IRS Notice 88-129, or (iii) this LGIA terminates and Transmission Provider retains ownership of the Interconnection Facilities and Network Upgrades, Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on Transmission Provider, calculated using the methodology described in Article 5.17.4 and

in accordance with IRS Notice 90-60.

5.17.7 Contests. In the event any Governmental Authority determines that Transmission Provider's receipt of payments or property constitutes income that is subject to taxation, Transmission Provider shall notify Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by Interconnection Customer and at Interconnection Customer's sole expense, Transmission Provider may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Interconnection Customer's written request and sole expense, Transmission Provider may file a claim for refund with respect to any taxes paid under this Article 5.17, whether or not it has received such a determination. Transmission Provider reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but Transmission Provider shall keep Interconnection Customer informed, shall consider in good faith suggestions from Interconnection Customer about the conduct of the contest, and shall reasonably permit Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement or other contest. At any time during the contest, Transmission Provider may agree to a settlement either with Interconnection Customer's consent or after obtaining written advice from nationally-recognized tax counsel, selected by Transmission Provider, but reasonably acceptable to Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation.

Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully grossed-up bases to cover any related cost consequences of the current tax liability. Any settlement without Interconnection Customer's consent or such written advice will relieve Interconnection Customer from any obligation to indemnify Transmission Provider for the tax at issue in the contest.

5.17.8 Refund. In the event that (a) a private letter ruling is issued to Transmission

Provider which holds that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Provider under the terms of this LGIA is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Transmission Provider in good faith that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Provider under the terms of this LGIA is not taxable to Transmission Provider, (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by Interconnection Customer to Transmission Provider are not subject to federal income tax, or (d) if Transmission Provider receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by Interconnection Customer to Transmission Provider pursuant to this LGIA, Transmission Provider shall promptly refund to Interconnection Customer the following:

(i) any payment made by Interconnection Customer under this Article 5.17 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon,

(ii) interest on any amounts paid by Interconnection Customer to Transmission Provider for such taxes which Transmission Provider did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC's regulations at 18 CFR §35.19a(a)(2)(iii) from the date payment was made by Interconnection Customer to the date Transmission Provider refunds such payment to Interconnection Customer, and

(iii) with respect to any such taxes paid by Transmission Provider, any refund or credit Transmission Provider receives or to which it may be entitled from any Governmental Authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to Transmission Provider for such overpayment of taxes (including any reduction in interest otherwise payable by Transmission Provider to any Governmental Authority resulting from an offset or credit); provided, however, that Transmission Provider will remit such amount promptly to Interconnection Customer only after and to the extent that Transmission Provider has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to Transmission Provider's Interconnection Facilities.

The intent of this provision is to leave the Parties, to the extent practicable,

in the event that no taxes are due with respect to any payment for Interconnection Facilities and Network Upgrades hereunder, in the same position they would have been in had no such tax payments been made.

5.17.9 Taxes Other Than Income Taxes. Upon the timely request by Interconnection Customer, and at Interconnection Customer's sole expense, Transmission Provider may appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Transmission Provider for which Interconnection Customer may be required to reimburse Transmission Provider under the terms of this LGIA. Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Interconnection Customer and Transmission Provider shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Interconnection Customer to Transmission Provider for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Transmission Provider.

5.17.10 Transmission Owners Who Are Not Transmission Providers. If Transmission Provider is not the same entity as the Transmission Owner, then (i) all references in this Article 5.17 to Transmission Provider shall be deemed also to refer to and to include the Transmission Owner, as appropriate, and (ii) this LGIA shall not become effective until such Transmission Owner shall have agreed in writing to assume all of the duties and obligations of Transmission Provider under this Article 5.17 of this LGIA.

5.18 Tax Status. Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this LGIA is intended to adversely affect any Transmission Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds.

5.19 Modification.

5.19.1 General. Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide to the other Party sufficient

information regarding such modification so that the other Party may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Large Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

In the case of Large Generating Facility modifications that do not require Interconnection Customer to submit an Interconnection Request, Transmission Provider shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the Transmission System, Transmission Provider's Interconnection Facilities or Network Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

5.19.2 Standards. Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this LGIA and Good Utility Practice.

5.19.3 Modification Costs. Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that Transmission Provider makes to Transmission Provider's Interconnection Facilities or the Transmission System to facilitate the interconnection of a third party to Transmission Provider's Interconnection Facilities or the Transmission System, or to provide transmission service to a third party under Transmission Provider's Tariff. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to Interconnection Customer's Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer's Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

Article 6. Testing and Inspection

6.1 Pre-Commercial Operation Date Testing and Modifications. Prior to the Commercial Operation Date, Transmission Provider shall test Transmission Provider's Interconnection Facilities and Network Upgrades and Interconnection Customer shall test

the Large Generating Facility and Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection Customer shall generate test energy at the Large Generating Facility only if it has arranged for the delivery of such test energy.

6.2 Post-Commercial Operation Date Testing and Modifications. Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Large Generating Facility with the Transmission System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.

6.3 Right to Observe Testing. Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.

6.4 Right to Inspect. Each Party shall have the right, but shall have no obligation to: (i) observe the other Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; (ii) review the settings of the other Party's System Protection Facilities and other protective equipment; and (iii) review the other Party's maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be deemed to be Confidential Information and treated pursuant to Article 22 of this LGIA.

Article 7. Metering

7.1 General. Each Party shall comply with the Applicable Reliability Council requirements. Unless otherwise agreed by the Parties, Transmission Provider shall install Metering Equipment at the Point of Interconnection prior to any operation of the Large Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Large Generating Facility shall be measured at or, at Transmission Provider's option, compensated to, the Point of Interconnection. Transmission Provider shall provide metering quantities, in analog and/or digital form, to Interconnection

Customer upon request. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.

7.2 **Check Meters**. Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check Transmission Provider's meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this LGIA, except as provided in Article 7.4 below. The check meters shall be subject at all reasonable times to inspection and examination by Transmission Provider or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.

7.3 **Standards**. Transmission Provider shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards.

7.4 **Testing of Metering Equipment**. Transmission Provider shall inspect and test all Transmission Provider-owned Metering Equipment upon installation and at least once every two (2) years thereafter. If requested to do so by Interconnection Customer, Transmission Provider shall, at Interconnection Customer's expense, inspect or test Metering Equipment more frequently than every two (2) years. Transmission Provider shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer's expense, in order to provide accurate metering, unless the inaccuracy or defect is due to Transmission Provider's failure to maintain, then Transmission Provider shall pay. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than two percent from the measurement made by the standard meter used in the test, Transmission Provider shall adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using Interconnection Customer's check meters, if installed. If no such check meters are installed or if the period cannot be reasonably ascertained, the adjustment shall be for the period immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last previous test of the Metering Equipment.

7.5 **Metering Data**. At Interconnection Customer's expense, the metered data shall be telemetered to one or more locations designated by Transmission Provider and one or more locations designated by Interconnection Customer. Such telemetered data shall be used, under normal operating conditions, as the official measurement of the amount of energy delivered from the Large Generating Facility to the Point of Interconnection.

Article 8. Communications

8.1 **Interconnection Customer Obligations**. Interconnection Customer shall maintain satisfactory operating communications with Transmission Provider's Transmission System dispatcher or representative designated by Transmission Provider. Interconnection Customer shall provide standard voice line, dedicated voice line and facsimile communications at its Large Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to Transmission Provider as set forth in Appendix D, Security Arrangements Details. The data circuit(s) shall extend from the Large Generating Facility to the location(s) specified by Transmission Provider. Any required maintenance of such communications equipment shall be performed by Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.

8.2 **Remote Terminal Unit**. Prior to the Initial Synchronization Date of the Large Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by Transmission Provider at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Transmission Provider through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The communication protocol for the data circuit(s) shall be specified by Transmission Provider. Instantaneous bidirectional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by Transmission Provider.

Each Party will promptly advise the other Party if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.

8.3 **No Annexation**. Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.

8.4 **Provision of Data from a Variable Energy Resource**. The Interconnection Customer whose Generating Facility is a Variable Energy Resource shall provide meteorological and forced outage data to the Transmission Provider to the extent necessary for the Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The Interconnection Customer with a Variable

Energy Resource having wind as the energy source, at a minimum, will be required to provide the Transmission Provider with site-specific meteorological data including: temperature, wind speed, wind direction, and atmospheric pressure. The Interconnection Customer with a Variable Energy Resource having solar as the energy source, at a minimum, will be required to provide the Transmission Provider with site-specific meteorological data including: temperature, atmospheric pressure, and irradiance. The Transmission Provider and Interconnection Customer whose Generating Facility is a Variable Energy Resource shall mutually agree to any additional meteorological data that are required for the development and deployment of a power production forecast. The Interconnection Customer whose Generating Facility is a Variable Energy Resource also shall submit data to the Transmission Provider regarding all forced outages to the extent necessary for the Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The exact specifications of the meteorological and forced outage data to be provided by the Interconnection Customer to the Transmission Provider, including the frequency and timing of data submittals, shall be made taking into account the size and configuration of the Variable Energy Resource, its characteristics, location, and its importance in maintaining generation resource adequacy and transmission system reliability in its area. All requirements for meteorological and forced outage data must be commensurate with the power production forecasting employed by the Transmission Provider. Such requirements for meteorological and forced outage data are set forth in Appendix C, Interconnection Details, of this LGIA, as they may change from time to time.

Article 9. Operations

9.1 **General**. Each Party shall comply with the Applicable Reliability Council requirements. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

9.2 **Control Area Notification**. At least three months before Initial Synchronization Date, Interconnection Customer shall notify Transmission Provider in writing of the Control Area in which the Large Generating Facility will be located. If Interconnection Customer elects to locate the Large Generating Facility in a Control Area other than the Control Area in which the Large Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this LGIA, and remote Control Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the other Control Area.

9.3 **Transmission Provider Obligations**. Transmission Provider shall cause the Transmission System and Transmission Provider's Interconnection Facilities to be

operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA. Transmission Provider may provide operating instructions to Interconnection Customer consistent with this LGIA and Transmission Provider's operating protocols and procedures as they may change from time to time. Transmission Provider will consider changes to its operating protocols and procedures proposed by Interconnection Customer.

9.4 Interconnection Customer Obligations. Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA. Interconnection Customer shall operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Control Area of which it is part, as such requirements are set forth in Appendix C, Interconnection Details, of this LGIA. Appendix C, Interconnection Details, will be modified to reflect changes to the requirements as they may change from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this LGIA.

9.5 Start-Up and Synchronization. Consistent with the Parties' mutually acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Large Generating Facility to Transmission Provider's Transmission System.

9.6 Reactive Power and Primary Frequency Response.

9.6.1 Power Factor Design Criteria.

9.6.1.1 Synchronous Generation. Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established different requirements that apply to all generators in the Control Area on a comparable basis.

9.6.1.2 Non-Synchronous Generation. Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established a different power factor range that applies to all non-synchronous generators in the Control Area on a comparable basis. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to

voltage level, real power output, etc.) or fixed and switched capacitors, or a combination of the two. This requirement shall only apply to newly interconnecting non-synchronous generators that have not yet executed a Facilities Study Agreement as of the effective date of the Final Rule establishing this requirement (Order No. 827).

9.6.2 Voltage Schedules. Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Transmission Provider shall require Interconnection Customer to operate the Large Generating Facility to produce or absorb reactive power within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). Transmission Provider's voltage schedules shall treat all sources of reactive power in the Control Area in an equitable and not unduly discriminatory manner. Transmission Provider shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one (1) day in advance, and may make changes to such schedules as necessary to maintain the reliability of the Transmission System. Interconnection Customer shall operate the Large Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the System Operator.

9.6.2.1 Voltage Regulators. Whenever the Large Generating Facility is operated in parallel with the Transmission System and voltage regulators are capable of operation, Interconnection Customer shall operate the Large Generating Facility with its voltage regulators in automatic operation. If the Large Generating Facility's voltage regulators are not capable of such automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative, and ensure that such Large Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Large Generating Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the Transmission System or trip any generating unit comprising the Large Generating Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to

other generators in the Control Area on a comparable basis.

9.6.3 Payment for Reactive Power. Transmission Provider is required to pay Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Large Generating Facility when Transmission Provider requests Interconnection Customer to operate its Large Generating Facility outside the range specified in Article 9.6.1, provided that if Transmission Provider pays its own or affiliated generators for reactive power service within the specified range, it must also pay Interconnection Customer. Payments shall be pursuant to Article 11.6 or such other agreement to which the Parties have otherwise agreed.

9.6.4 Primary Frequency Response. Interconnection Customer shall ensure the primary frequency response capability of its Large Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term "functioning governor or equivalent controls" as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Large Generating Facility's real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop and ±0.036 Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from an approved NERC Reliability Standard providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Large Generating Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Large Generating Facility's real power output in response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected change in the Large Generating Facility's real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify Transmission Provider that the primary frequency response capability of the Large Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Large Generating Facility with the

Transmission System, Interconnection Customer shall operate the Large Generating Facility consistent with the provisions specified in Sections 9.6.4.1 and 9.6.4.2 of this Agreement. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Large Generating Facilities.

9.6.4.1 **Governor or Equivalent Controls.** Whenever the Large Generating Facility is operated in parallel with the Transmission System, Interconnection Customer shall operate the Large Generating Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall: (1) in coordination with Transmission Provider and/or the relevant balancing authority, set the deadband parameter to: (1) a maximum of ±0.036 Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop and deadband settings from an approved NERC Reliability Standard that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to Transmission Provider and/or the relevant balancing authority upon request. If Interconnection Customer needs to operate the Large Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify Transmission Provider and the relevant balancing authority, and provide both with the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to keep outages of the Large Generating Facility's governor or equivalent controls to a minimum whenever the Large Generating Facility is operated in parallel with the Transmission System.

9.6.4.2 **Timely and Sustained Response.** Interconnection Customer shall ensure that the Large Generating Facility's real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Large Generating Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection Customer shall

not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Large Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. A Commission-approved Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

9.6.4.3 **Exemptions**. Large Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Sections 9.6.4, 9.6.4.1, and 9.6.4.2 of this Agreement. Large Generating Facilities that are behind the meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in Section 9.6.4, but shall be otherwise exempt from the operating requirements in Sections 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.4 of this Agreement.

9.6.4.4 **Electric Storage Resources**. Interconnection Customer interconnecting an electric storage resource shall establish an operating range in Appendix C of its LGIA that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Sections 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.3 of this Agreement. Appendix C shall specify whether the operating range is static or dynamic, and shall consider (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by Transmission Provider and Interconnection Customer, and in consultation with the relevant transmission owner or

balancing authority as appropriate. If the operating range is dynamic, then Appendix C must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with Section 9.6.4.2 of this Agreement when it is online and dispatched to inject electricity to the Transmission System and/or receive electricity from the Transmission System. This excludes circumstances when the electric storage resource is not dispatched to inject electricity to the Transmission System and/or dispatched to receive electricity from the Transmission System. If Interconnection Customer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Interconnection Customer's electric storage resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

9.7 Outages and Interruptions.

9.7.1 Outages.

9.7.1.1 **Outage Authority and Coordination**. Each Party may in accordance with Good Utility Practice in coordination with the other Party remove from service any of its respective Interconnection Facilities or Network Upgrades that may impact the other Party's facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service will use Reasonable Efforts to schedule such removal on a date and time mutually acceptable to the Parties. In all circumstances, any Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Party of such removal.

9.7.1.2 **Outage Schedules**. Transmission Provider shall post scheduled outages of its transmission facilities on the OASIS. Interconnection Customer shall submit its planned maintenance schedules for the

Large Generating Facility to Transmission Provider for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its planned maintenance schedules as necessary. Transmission Provider may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the Transmission System; provided, however, adequacy of generation supply shall not be a criterion in determining Transmission System reliability. Transmission Provider shall compensate Interconnection Customer for any additional direct costs that Interconnection Customer incurs as a result of having to reschedule maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent Transmission Provider's request to reschedule maintenance. Interconnection Customer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, Interconnection Customer had modified its schedule of maintenance activities.

9.7.1.3 **Outage Restoration**. If an outage on a Party's Interconnection Facilities or Network Upgrades adversely affects the other Party's operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, to the extent such information is known, information on the nature of the Emergency Condition, an estimated time of restoration, and any corrective actions required. Initial verbal notice shall be followed up as soon as practicable with written notice explaining the nature of the outage.

9.7.2 **Interruption of Service**. If required by Good Utility Practice to do so, Transmission Provider may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect Transmission Provider's ability to perform such activities as are necessary to safely and reliably operate and maintain the Transmission System. The following provisions shall apply to any interruption or reduction permitted under this Article 9.7.2:

9.7.2.1 The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice;

9.7.2.2 Any such interruption or reduction shall be made on an equitable,

non-discriminatory basis with respect to all generating facilities directly connected to the Transmission System;

9.7.2.3 When the interruption or reduction must be made under circumstances which do not allow for advance notice, Transmission Provider shall notify Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written notification as soon as practicable;

9.7.2.4 Except during the existence of an Emergency Condition, when the interruption or reduction can be scheduled without advance notice, Transmission Provider shall notify Interconnection Customer in advance regarding the timing of such scheduling and further notify Interconnection Customer of the expected duration. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to Interconnection Customer and Transmission Provider;

9.7.2.5 The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Large Generating Facility, Interconnection Facilities, and the Transmission System to their normal operating state, consistent with system conditions and Good Utility Practice.

9.7.3 Under-Frequency and Over Frequency Conditions. The Transmission System is designed to automatically activate a load-shed program as required by the Applicable Reliability Council in the event of an under-frequency system disturbance. Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Large Generating Facility as required by the Applicable Reliability Council to ensure "ride through" capability of the Transmission System. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with Transmission Provider in accordance with Good Utility Practice. The term "ride through" as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the Transmission System during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice.

9.7.4 System Protection and Other Control Requirements.

9.7.4.1 **System Protection Facilities**. Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider shall install at Interconnection Customer's expense any System Protection Facilities that may be required on Transmission Provider's Interconnection Facilities or the Transmission System as a result of the interconnection of the Large Generating Facility and Interconnection Customer's Interconnection Facilities.

9.7.4.2 Each Party's protection facilities shall be designed and coordinated with other systems in accordance with Good Utility Practice.

9.7.4.3 Each Party shall be responsible for protection of its facilities consistent with Good Utility Practice.

9.7.4.4 Each Party's protective relay design shall incorporate the necessary test switches to perform the tests required in Article 6. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of Interconnection Customer's units.

9.7.4.5 Each Party will test, operate and maintain System Protection Facilities in accordance with Good Utility Practice.

9.7.4.6 Prior to the In-Service Date, and again prior to the Commercial Operation Date, each Party or its agent shall perform a complete calibration test and functional trip test of the System Protection Facilities. At intervals suggested by Good Utility Practice and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its System Protection Facilities. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

9.7.5 **Requirements for Protection**. In compliance with Good Utility Practice, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the Transmission System not otherwise isolated by Transmission Provider's equipment, such that

the removal of the fault contribution shall be coordinated with the protective requirements of the Transmission System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Large Generating Facility and the Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Large Generating Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and Interconnection Customer's other equipment if conditions on the Transmission System could adversely affect the Large Generating Facility.

9.7.6 Power Quality. Neither Party's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard. In the event of a conflict between ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, ANSI Standard C84.1-1989, or the applicable superseding electric industry standard, shall control.

9.8 Switching and Tagging Rules. Each Party shall provide the other Party a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

9.9 Use of Interconnection Facilities by Third Parties.

9.9.1 Purpose of Interconnection Facilities. Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Large Generating Facility to the Transmission System and shall be used for no other purpose.

9.9.2 Third Party Users. If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use Transmission Provider's Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection

Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to FERC for resolution.

9.10 Disturbance Analysis Data Exchange. The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or Transmission Provider's Transmission System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.

Article 10. Maintenance

10.1 Transmission Provider Obligations. Transmission Provider shall maintain the Transmission System and Transmission Provider's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.2 Interconnection Customer Obligations. Interconnection Customer shall maintain the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.3 Coordination. The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Large Generating Facility and the Interconnection Facilities.

10.4 Secondary Systems. Each Party shall cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

10.5 Operating and Maintenance Expenses. Subject to the provisions herein addressing the

use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of Transmission Provider's Interconnection Facilities.

Article 11. Performance Obligation

11.1 Interconnection Customer Interconnection Facilities. Interconnection Customer shall design, procure, construct, install, own and/or control Interconnection Customer Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at its sole expense.

11.2 Transmission Provider's Interconnection Facilities. Transmission Provider or Transmission Owner shall design, procure, construct, install, own and/or control the Transmission Provider's Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at the sole expense of the Interconnection Customer.

11.3 Network Upgrades and Distribution Upgrades. Transmission Provider or Transmission Owner shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades. The Interconnection Customer shall be responsible for all costs related to Distribution Upgrades. Unless Transmission Provider or Transmission Owner elects to fund the capital for the Network Upgrades, they shall be solely funded by Interconnection Customer.

11.4 Transmission Credits.

11.4.1 Repayment of Amounts Advanced for Network Upgrades. Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to Transmission Provider and Affected System Operator, if any, for the Network Upgrades, including any tax gross-up or other tax-related payments associated with Network Upgrades, and not refunded to Interconnection Customer pursuant to Article 5.17.8 or otherwise, to be paid to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under Transmission Provider's Tariff and Affected System's Tariff for transmission services with respect to the Large Generating Facility. Any

repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. Interconnection Customer may assign such repayment rights to any person.

Notwithstanding the foregoing, Interconnection Customer, Transmission Provider, and Affected System Operator may adopt any alternative payment schedule that is mutually agreeable so long as Transmission Provider and Affected System Operator take one of the following actions no later than five years from the Commercial Operation Date: (1) return to Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that Transmission Provider or Affected System Operator will continue to provide payments to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the Commercial Operation Date.

If the Large Generating Facility fails to achieve commercial operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, Transmission Provider and Affected System Operator shall at that time reimburse Interconnection Customer for the amounts advanced for the Network Upgrades. Before any such reimbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the Generating Facility, if different, is responsible for identifying the entity to which reimbursement must be made.

11.4.2 Special Provisions for Affected Systems. Unless Transmission Provider provides, under the LGIA, for the repayment of amounts advanced to Affected System Operator for Network Upgrades, Interconnection Customer and Affected System Operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by Interconnection Customer to the Affected System Operator as well as the repayment by the Affected System Operator.

11.4.3 Notwithstanding any other provision of this LGIA, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion

rights, or transmission credits, that Interconnection Customer, shall be entitled to, now or in the future under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Large Generating Facility.

11.5 Provision of Security. At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, Interconnection Customer shall provide Transmission Provider, at Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Transmission Provider and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and shall be reduced on a dollar-for dollar basis for payments made to Transmission Provider for these purposes.

In addition:

11.5.1 The guarantee must be made by an entity that meets the creditworthiness requirements of Transmission Provider, and contain terms and conditions that guarantee payment of any amount that may be due from Interconnection Customer, up to an agreed-to maximum amount.

11.5.2 The letter of credit must be issued by a financial institution reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

11.5.3 The surety bond must be issued by an insurer reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

11.6 Interconnection Customer Compensation. If Transmission Provider requests or directs Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for Reactive Power), or 13.5.1 of this LGIA, Transmission Provider shall compensate Interconnection Customer in accordance with Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to an RTO or ISO FERC-approved rate schedule. Interconnection Customer shall serve Transmission Provider or RTO or ISO with any filing of a proposed rate schedule at the time of such filing with FERC. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb any Reactive Power under this LGIA, Transmission Provider agrees to compensate Interconnection Customer in such amount as would have been due Interconnection Customer had the rate schedule been in

effect at the time service commenced; provided, however, that such rate schedule must be filed at FERC or other appropriate Governmental Authority within sixty (60) Calendar Days of the commencement of service.

11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition. Transmission Provider or RTO or ISO shall compensate Interconnection Customer for its provision of real and reactive power and other Emergency Condition services that Interconnection Customer provides to support the Transmission System during an Emergency Condition in accordance with Article 11.6.

Article 12. Invoice

12.1 General. Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this LGIA, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

12.2 Final Invoice. Within six months after completion of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades, Transmission Provider shall provide an invoice of the final cost of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Transmission Provider shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

12.3 Payment. Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by either Party will not constitute a waiver of any rights or claims either Party may have under this LGIA.

12.4 Disputes. In the event of a billing dispute between Transmission Provider and Interconnection Customer, Transmission Provider shall continue to provide Interconnection Service under this LGIA as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Transmission Provider or

into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then Transmission Provider may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accord with the methodology set forth in FERC's regulations at 18 CFR § 35.19a(a)(2)(iii).

Article 13. Emergencies

13.1 Definition. "Emergency Condition" shall mean a condition or situation: (i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (ii) that, in the case of Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (iii) that, in the case of Interconnection Customer, is imminently likely (as determined in a nondiscriminatory manner) to cause a material adverse effect on the security of, or damage to, the Large Generating Facility or Interconnection Customer's Interconnection Facilities' System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by this LGIA to possess black start capability.

13.2 Obligations. Each Party shall comply with the Emergency Condition procedures of the applicable ISO/RTO, NERC, the Applicable Reliability Council, Applicable Laws and Regulations, and any emergency procedures agreed to by the Joint Operating Committee.

13.3 Notice. Transmission Provider shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects Transmission Provider's Interconnection Facilities or the Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Transmission Provider promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the Transmission System or Transmission Provider's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer's or Transmission Provider's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.

13.4 Immediate Action. Unless, in Interconnection Customer's reasonable judgment,

immediate action is required, Interconnection Customer shall obtain the consent of Transmission Provider, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Large Generating Facility or Interconnection Customer's Interconnection Facilities in response to an Emergency Condition either declared by Transmission Provider or otherwise regarding the Transmission System.

13.5 Transmission Provider Authority.

13.5.1 General. Transmission Provider may take whatever actions or inactions with regard to the Transmission System or Transmission Provider's Interconnection Facilities it deems necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Transmission System or Transmission Provider's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

Transmission Provider shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider may, on the basis of technical considerations, require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, startup, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing Interconnection Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of Transmission Provider's operating instructions concerning Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

13.5.2 Reduction and Disconnection. Transmission Provider may reduce Interconnection Service or disconnect the Large Generating Facility or Interconnection Customer's Interconnection Facilities, when such, reduction or disconnection is necessary under Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from any right of curtailment of Transmission Provider pursuant to Transmission Provider's Tariff. When Transmission Provider can schedule the reduction

or disconnection in advance, Transmission Provider shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and Transmission Provider. Any reduction or disconnection shall continue only for so long as reasonably necessary under Good Utility Practice. The Parties shall cooperate with each other to restore the Large Generating Facility, the Interconnection Facilities, and the Transmission System to their normal operating state as soon as practicable consistent with Good Utility Practice.

13.6 Interconnection Customer Authority. Consistent with Good Utility Practice and the LGIA and the LGIP, Interconnection Customer may take actions or inactions with regard to the Large Generating Facility or Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Large Generating Facility or Interconnection Customer's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Transmission System and Transmission Provider's Interconnection Facilities. Transmission Provider shall use Reasonable Efforts to assist Interconnection Customer in such actions.

13.7 Limited Liability. Except as otherwise provided in Article 11.6.1 of this LGIA, neither Party shall be liable to the other for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.

Article 14. Regulatory Requirements and Governing Law

14.1 Regulatory Requirements. Each Party's obligations under this LGIA shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this LGIA shall require Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act, the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978.

14.2 Governing Law.

14.2.1 The validity, interpretation and performance of this LGIA and each of its provisions shall be governed by the laws of the state where the Point of Interconnection is located, without regard to its conflicts of law principles.

14.2.2 This LGIA is subject to all Applicable Laws and Regulations.

14.3.3 Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

Article 15. Notices.

15.1 General. Unless otherwise provided in this LGIA, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.

Either Party may change the notice information in this LGIA by giving five (5) Business Days written notice prior to the effective date of the change.

15.2 Billings and Payments. Billings and payments shall be sent to the addresses set out in Appendix F.

15.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F.

15.4 Operations and Maintenance Notice. Each Party shall notify the other Party in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10.

Article 16. Force Majeure

16.1 Force Majeure.

16.1.1 Economic hardship is not considered a Force Majeure event.

16.1.2 Neither Party shall be considered to be in Default with respect to any

obligation hereunder, (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

Article 17. Default

17.1 Default

17.1 **General.** No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this LGIA or the result of an act of omission of the other Party. Upon a Breach, the non-breaching Party shall give written notice of such Breach to the breaching Party. Except as provided in Article 17.1.2, the breaching Party shall have thirty (30) Calendar Days from receipt of the Default notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

17.2 **Right to Terminate.** If a Breach is not cured as provided in this article, or if a Breach is not capable of being cured within the period provided for herein, the non-breaching Party shall have the right to declare a Default and terminate this LGIA by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this LGIA, to recover from the breaching 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 article will survive termination of this LGIA.

Article 18. Indemnity, Consequential Damages and Insurance

18.1 Indemnity. The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under this LGIA on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

18.1.1 Indemnified Person. If an Indemnified Person is entitled to indemnification under this Article 18 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 18.1, to assume the defense of such claim, such Indemnified Person may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

18.1.2 Indemnifying Party. If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Article 18, the amount owing to the Indemnified Person shall be the amount of such Indemnified Person's actual Loss, net of any insurance or other recovery.

18.1.3 Indemnity Procedures. Promptly after receipt by an Indemnified Person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Article 18.1 may apply, the Indemnified Person shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.

The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Person. If the defendants in any such action include one or more Indemnified Persons and the Indemnifying Party and if the Indemnified Person reasonably concludes that there may be legal defenses available to it and/or other Indemnified Persons which are different from or additional to those available to the Indemnifying Party, the Indemnified Person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Person or Indemnified Persons having

such differing or additional legal defenses.

The Indemnified Person shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Person and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Person, or there exists a conflict or adversity of interest between the Indemnified Person and the Indemnifying Party, in such event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Person, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Person, which shall not be reasonably withheld, conditioned or delayed.

18.2 Consequential Damages. Other than the Liquidated Damages heretofore described, in no event shall either Party be liable under any provision of this LGIA 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.

18.3 Insurance. Each party shall, at its own expense, maintain in force throughout the period of this LGIA, and until released by the other Party, the following minimum insurance coverages, with insurers authorized to do business in the state where the Point of Interconnection is located:

18.3.1 Employers' Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the state in which the Point of Interconnection is located.

18.3.2 Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability

endorsement, with minimum limits of One Million Dollars ($1,000,000) per occurrence/One Million Dollars ($1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.

18.3.3 Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars ($1,000,000) per occurrence for bodily injury, including death, and property damage.

18.3.4 Excess Public Liability Insurance over and above the Employers' Liability Commercial General Liability and Comprehensive Automobile Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars ($20,000,000) per occurrence/Twenty Million Dollars ($20,000,000) aggregate.

18.3.5 The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Public Liability Insurance policies shall name the other Party, its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this LGIA against the Other Party Group and provide thirty (30) Calendar Days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.

18.3.6 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.

18.3.7 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this LGIA, which coverage may be in the form of tail coverage or extended reporting period coverage if

agreed by the Parties.

18.3.8 The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this LGIA.

18.3.9 Within ten (10) days following execution of this LGIA, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days thereafter, each Party shall provide certification of all insurance required in this LGIA, executed by each insurer or by an authorized representative of each insurer.

18.3.10 Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.8 to the extent it maintains a self-insurance program; provided that, such Party's senior secured debt is rated at investment grade or better by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.8. For any period of time that a Party's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Articles 18.3.2 through 18.3.9. In the event that a Party is permitted to self-insure pursuant to this article, it shall notify the other Party that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 18.3.9.

18.3.11 The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this LGIA.

Article 19. Assignment

19.1 **Assignment**. This LGIA may be assigned by either Party only with the written consent of the other; provided that either Party may assign this LGIA without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this LGIA; and provided further that Interconnection Customer shall have the right to assign this LGIA, without the consent of Transmission Provider, for collateral security purposes to aid in providing financing for the Large Generating Facility, provided that Interconnection Customer will promptly notify Transmission Provider of any such assignment. Any financing arrangement entered into by

Interconnection Customer pursuant to this article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify Transmission Provider of the date and particulars of any such exercise of assignment right(s), including providing the Transmission Provider with proof that it meets the requirements of Articles 11.5 and 18.3. Any attempted assignment that violates this article is void and ineffective. Any assignment under this LGIA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

Article 20. Severability

20.1 Severability. If any provision in this LGIA is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this LGIA; provided that if Interconnection Customer (or any third party, but only if such third party is not acting at the direction of Transmission Provider) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

Article 21. Comparability

21.1 Comparability. The Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

Article 22. Confidentiality

22.1 Confidentiality. Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of this LGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Article 22 warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with

affording confidential treatment to its information.

The release of Confidential Information shall be subject to Applicable Laws and Regulations and Applicable Reliability Standards.

22.1.1 Term. During the term of this LGIA, and for a period of three (3) years after the expiration or termination of this LGIA, except as otherwise provided in this Article 22, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

22.1.2 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this LGIA; or (6) is required, in accordance with Article 22.1.7 of the LGIA, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

22.1.3 Release of Confidential Information. Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this LGIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in

contravention of this Article 22.

22.1.4 Rights. Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

22.1.5 No Warranties. By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

22.1.6 Standard of Care. Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this LGIA or its regulatory requirements.

22.1.7 Order of Disclosure. If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

22.1.8 Termination of Agreement. Upon termination of this LGIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion

certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.

22.1.9 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 22, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.

22.1.10 Disclosure to FERC, its Staff, or a State. Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this LGIA, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this LGIA prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

22.1.11 Subject to the exception in Article 22.1.10, any information that a Party claims is competitively sensitive, commercial or financial information under this LGIA ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIA or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

Article 23. Environmental Releases

23.1 Each Party shall notify the other Party, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Large Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

Article 24. Information Requirements

24.1 **Information Acquisition**. Transmission Provider and Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.

24.2 Information Submission by Transmission Provider. The initial information submission by Transmission Provider shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include Transmission System information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis Transmission Provider shall provide Interconnection Customer a status report on the construction and installation of Transmission Provider's Interconnection Facilities and Network Upgrades, including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

24.3 Updated Information Submission by Interconnection Customer. The updated information submission by Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. Interconnection Customer shall submit a completed copy of the Large Generating Facility data requirements contained in Appendix 1 to the LGIP. It shall also include any additional information provided to Transmission Provider for the Feasibility and Facilities Study. Information in this submission shall be the most current Large Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Transmission Provider standard models. If there is no compatible model, Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If Interconnection Customer's data is materially different from what was originally provided to Transmission Provider pursuant to the Interconnection Study Agreement between Transmission Provider and Interconnection Customer, then Transmission Provider will conduct appropriate studies to determine the impact on Transmission Provider Transmission System based on the actual data submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed.

24.4 Information Supplementation. Prior to the Operation Date, the Parties shall supplement their information submissions described above in this Article 24 with any and all "as-built" Large Generating Facility information or "as-tested" performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. The Interconnection Customer shall conduct tests on the Large Generating Facility as required by Good Utility Practice such as an open circuit "step voltage" test on the Large Generating Facility to verify proper operation of the Large Generating Facility's automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Large Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Large Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Interconnection Customer shall provide validated test recordings showing the responses of Large Generating Facility terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Large Generating Facility's terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Large Generating Facility terminal or field voltages is provided. Large Generating Facility testing shall be conducted and results provided to Transmission Provider for each individual generating unit in a station. Subsequent to the Operation Date, Interconnection Customer shall provide Transmission Provider any information changes due to equipment replacement, repair, or adjustment. Transmission Provider shall provide Interconnection Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Transmission Provider-owned substation that may affect Interconnection Customer's Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information no later than thirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment.

Article 25. Information Access and Audit Rights

25.1 Information Access. Each Party (the "disclosing Party") shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this LGIA; and (ii) carry out its obligations and responsibilities under this LGIA. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this LGIA.

25.2 Reporting of Non-Force Majeure Events. Each Party (the "notifying Party") shall notify the other Party when the notifying Party becomes aware of its inability to comply with the provisions of this LGIA for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this LGIA.

25.3 Audit Rights. Subject to the requirements of confidentiality under Article 22 of this LGIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts

and records pertaining to either Party's performance or either Party's satisfaction of obligations under this LGIA. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, Transmission Provider's efforts to allocate responsibility for the provision of reactive support to the Transmission System, Transmission Provider's efforts to allocate responsibility for interruption or reduction of generation on the Transmission System, and each Party's actions in an Emergency Condition. Any audit authorized by this article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party's performance and satisfaction of obligations under this LGIA. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.

25.4 Audit Rights Periods.

25.4.1 Audit Rights Period for Construction-Related Accounts and Records. Accounts and records related to the design, engineering, procurement, and construction of Transmission Provider's Interconnection Facilities and Network Upgrades shall be subject to audit for a period of twenty-four months following Transmission Provider's issuance of a final invoice in accordance with Article 12.2.

25.4.2 Audit Rights Period for All Other Accounts and Records. Accounts and records related to either Party's performance or satisfaction of all obligations under this LGIA other than those described in Article 25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four months after the event for which the audit is sought.

25.5 Audit Results. If an audit by a Party determines that an overpayment or an underpayment has occurred, a notice of such overpayment or underpayment shall be given to the other Party together with those records from the audit which support such determination.

Article 26. Subcontractors

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

26.2 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this LGIA. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Transmission Provider be liable for the actions or inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under Article 5 of this LGIA. Any applicable obligation imposed by this LGIA upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

26.3 No Limitation by Insurance. The obligations under this Article 26 will not be limited in any way by any limitation of subcontractor's insurance.

Article 27. Disputes

27.1 Submission. In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this LGIA or its performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.

27.2 External Arbitration Procedures. Any arbitration initiated under this LGIA shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations or RTO rules; provided, however, in the

event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail.

27.3 Arbitration Decisions. Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this LGIA and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

27.4 Costs. Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

Article 28. Representations, Warranties, and Covenants

28.1 General. Each Party makes the following representations, warranties and covenants:

28.1.1 Good Standing. Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this LGIA and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this LGIA.

28.1.2 Authority. Such Party has the right, power and authority to enter into this LGIA, to become a Party hereto and to perform its obligations hereunder. This LGIA is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is

sought in a proceeding in equity or at law).

28.1.3 No Conflict. The execution, delivery and performance of this LGIA does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

28.1.4 Consent and Approval. Such Party has sought or obtained, or, in accordance with this LGIA will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this LGIA, and it will provide to any Governmental Authority notice of any actions under this LGIA that are required by Applicable Laws and Regulations.

Article 29. Joint Operating Committee

29.1 Joint Operating Committee. Except in the case of ISOs and RTOs, Transmission Provider shall constitute a Joint Operating Committee to coordinate operating and technical considerations of Interconnection Service. At least six (6) months prior to the expected Initial Synchronization Date, Interconnection Customer and Transmission Provider shall each appoint one representative and one alternate to the Joint Operating Committee. Each Interconnection Customer shall notify Transmission Provider of its appointment in writing. Such appointments may be changed at any time by similar notice. The Joint Operating Committee shall meet as necessary, but not less than once each calendar year, to carry out the duties set forth herein. The Joint Operating Committee shall hold a meeting at the request of either Party, at a time and place agreed upon by the representatives. The Joint Operating Committee shall perform all of its duties consistent with the provisions of this LGIA. Each Party shall cooperate in providing to the Joint Operating Committee all information required in the performance of the Joint Operating Committee's duties. All decisions and agreements, if any, made by the Joint Operating Committee, shall be evidenced in writing. The duties of the Joint Operating Committee shall include the following:

29.1.1 Establish data requirements and operating record requirements.

29.1.2 Review the requirements, standards, and procedures for data acquisition equipment, protective equipment, and any other equipment or software.

29.1.3 Annually review the one (1) year forecast of maintenance and planned outage schedules of Transmission Provider's and Interconnection Customer's facilities at the Point of Interconnection.

29.1.4 Coordinate the scheduling of maintenance and planned outages on the Interconnection Facilities, the Large Generating Facility and other facilities that impact the normal operation of the interconnection of the Large Generating Facility to the Transmission System.

29.1.5 Ensure that information is being provided by each Party regarding equipment availability.

29.1.6 Perform such other duties as may be conferred upon it by mutual agreement of the Parties.

Article 30. Miscellaneous

30.1 Binding Effect. This LGIA and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

30.2 Conflicts. In the event of a conflict between the body of this LGIA and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this LGIA shall prevail and be deemed the final intent of the Parties.

30.3 Rules of Interpretation. This LGIA, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this LGIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this LGIA), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this LGIA or such Appendix to this LGIA, or such Section to the LGIP or such Appendix to the LGIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this LGIA as a whole and not to any particular Article or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".

30.4 Entire Agreement. This LGIA, including all Appendices and Schedules attached hereto,

constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this LGIA. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this LGIA.

30.5 No Third Party Beneficiaries. This LGIA is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

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

Any waiver at any time by either Party of its rights with respect to this LGIA shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this LGIA. Termination or Default of this LGIA for any reason by Interconnection Customer shall not constitute a waiver of Interconnection Customer's legal rights to obtain an interconnection from Transmission Provider. Any waiver of this LGIA shall, if requested, be provided in writing.

30.7 Headings. The descriptive headings of the various Articles of this LGIA have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this LGIA.

30.8 Multiple Counterparts. This LGIA may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

30.9 Amendment. The Parties may by mutual agreement amend this LGIA by a written instrument duly executed by the Parties.

30.10 Modification by the Parties. The Parties may by mutual agreement amend the Appendices to this LGIA by a written instrument duly executed by the Parties. Such amendment shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.

30.11 Reservation of Rights. Transmission Provider shall have the right to make a unilateral filing with FERC to modify this LGIA with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations

thereunder, and Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this LGIA pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this LGIA shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

30.12 No Partnership. This LGIA shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

IN WITNESS WHEREOF, the Parties have executed this LGIA in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

El Paso Electric Company

By: _____

Title: _____

Date: _____

Solar PV Development NM 18 II LLC

By: _____

Title: _____

Date: _____

Appendices: Interconnection Facilities, Network Upgrades and Distribution Upgrade

Appendices to LGIA

Appendix A	Interconnection Facilities, Network Upgrades, and Distribution Upgrades
Appendix B	Milestones
Appendix C	Interconnection Details
Appendix D	Security Arrangements Details
Appendix E	Commercial Operation Date
Appendix F	Addresses for Delivery of Notices and Billings
Appendix G	Interconnection Requirements for a Wind Generating Plant

Appendix A: Interconnection Facilities, Network Upgrades and Distribution Upgrades

Appendix A to LGIA

INTERCONNECTION FACILITIES, NETWORK UPGRADES AND DISTRIBUTION UPGRADES[1]

Description of Project

The Interconnection Customer's project, LA130S, is a photovoltaic ("PV") Large Generating Facility comprised of forty-three (43) 3.36 MVA TMEIC, Solar Ware 3360, PVH-L3360GR inverters and a 3-stage 27 MVAr switchable shunt located within the Generating Facility for a gross capacity of 144.5 MVA and a maximum requested output of 130 MW.[2] The station transformer will be located approximately 0.1 mile from the Point of Interconnection ("POI") station. The inverters are to be installed at a terminal voltage of 0.63 kV. A single 345 kV/34.5 kV main transformer will step up the collector voltage to 345 kV. Figure A-2 shows a representative model of project LA130S.

LA130S was one of several interconnection requests studied in a single cluster, under which the total Network Upgrades for the entire cluster are identified and then allocated among the projects in the cluster ("Cluster Projects"). At the time this Interconnection Agreement is being entered into, the Interconnection Customer's project is one of two (2) Cluster Projects requesting Network Resource Interconnection Service ("NRIS"), which allows the Cluster Projects to integrate with the EPE Transmission System in a manner comparable to that in which EPE integrates its own Generating Facilities to serve native load. The second Cluster Project is hereby referred to as "CO100SB."

The requested POI will connect to a new substation on the existing 345 kV transmission line between the Luna and Afton North substations with a proposed COD of December 31, 2024.

An Interconnection Customer-owned 34.5 kV line will connect the PV installations to the LA130S Generating Facility. A 34.5 kV line forming part of project LA130S may require the crossing of EPE's

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[1] Transmission Provider's Transmission System was studied and evaluated assuming that senior requests and equal-queued requests, and the facilities identified by Transmission Provider as necessary for such requests, are in effect and in service. This LGIA and its Appendices and Schedules are subject to change, based upon changes to such circumstances.

[2] The project is referred to herein as either "Interconnection Customer's project" or "LA130S."

345 kV transmission lines and easements. This 34.5 kV line will need to be routed underground to avoid interference with EPE's current and future 345 kV line(s) within EPE's easements. Prior to any design or construction, the Interconnection Customer will need to obtain an easement from EPE. A single 345/34.5 kV transformer will step up the 34.5 kV collector system to the 345 kV voltage. A short 345 kV overhead transmission line (approximately 0.1 mile) will then connect the LA130S Project to the new LA130S POI 345 kV substation.

Figure A-1 shows the LA130S POI.

Figure A-1: EPE Transmission Map with LA130S

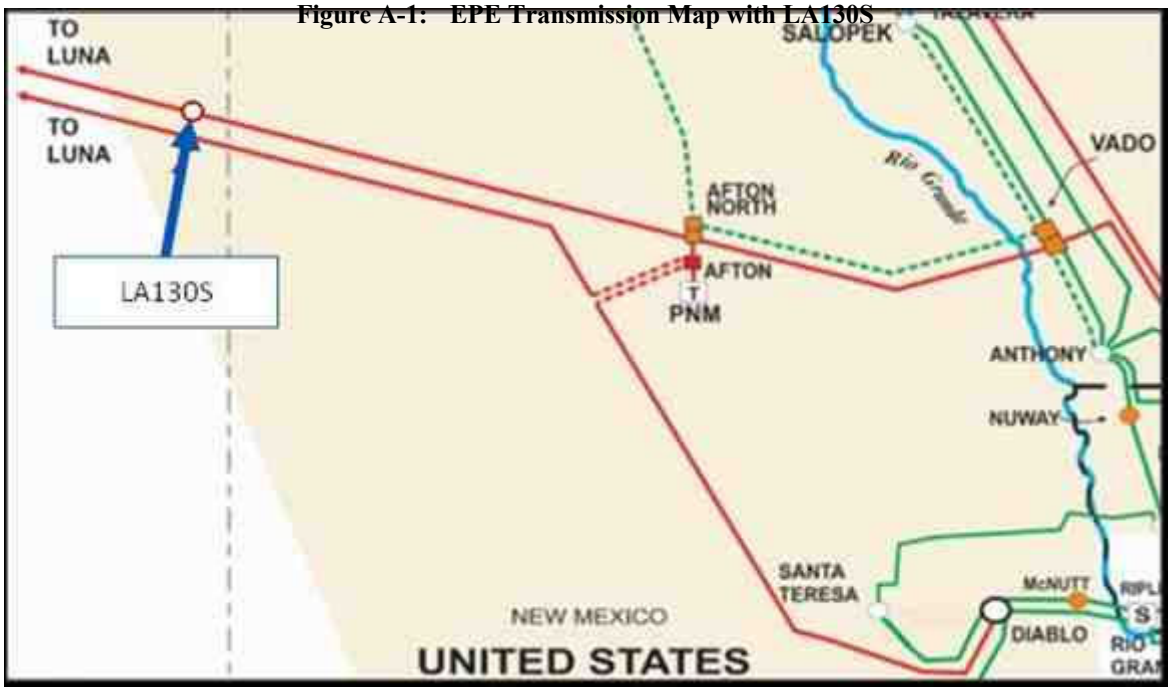
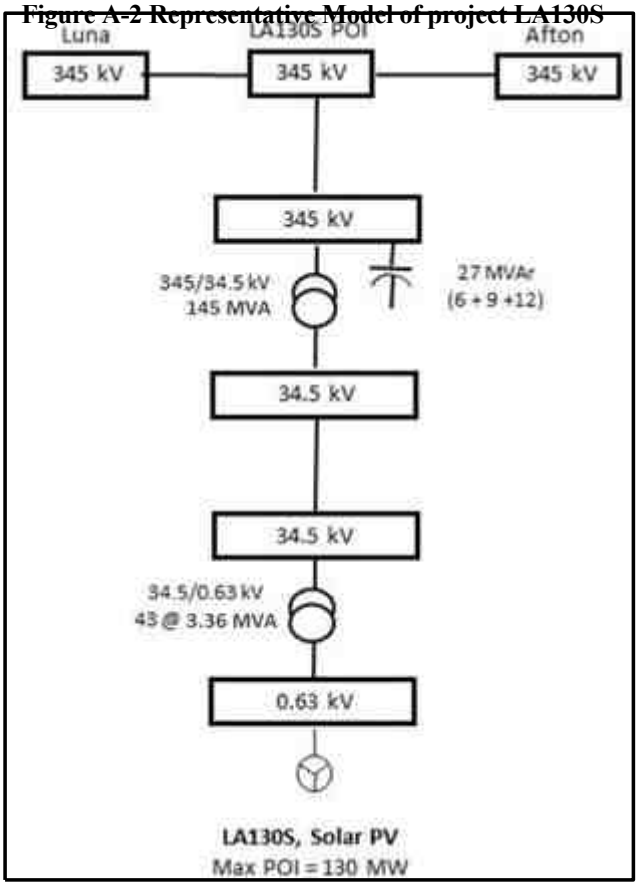


Figure A-2 Representative Model of project LA130S



I. INTERCONNECTION FACILITIES

A. Interconnection Customer's Interconnection Facilities

Interconnection Customer's Interconnection Facilities are facilities that will be engineered, procured, constructed, owned, operated, and maintained by Interconnection Customer at its sole expense. The Interconnection Customer's Interconnection Facilities shall include:

- All Interconnection Facilities from the generator facilities up to the Point of Change of Ownership ("PCO").[3] The PCO is the dead-end pole that connects the

[3] Interconnection Customer's Interconnection Facilities also include any relays or other protection system and control equipment associated with the Large Generating Facility that Transmission Provider permits to be installed on the

interconnection line into the POI substation. The Interconnection Customer's Interconnection Facilities include all generator step-up transformers, breakers, and any VAR support equipment needed to integrate the LA130S project.

The major Interconnection Customer's Interconnection Facilities required for the interconnection of LA130S are provided in Table A-1 below.

Table A-1: Interconnection Customer's Interconnection Facilities

Gen-Tie Line	~~Gen-tie line from the Large Generating Facility to the Point of Change of Ownership~~
LA130S Capacitive Support	A 3-stage 27 MVAr switchable shunt capacitor (6 MVAr, 9 MVAr, and 12 MVAr) is required to maintain the required leading and lagging 0.95 power factor and provide the appropriate voltage control (according to the System Impact Study)

B. Transmission Provider's Interconnection Facilities

Transmission Provider's (EPE) Interconnection Facilities are facilities from the Point of Change of Ownership to the Point of Interconnection, paid for by the Interconnection Customer but owned and operated by EPE. The following facilities to be installed are designated as Transmission Provider's Interconnection Facilities:

- Facilities from the interconnection line dead-end structure to the Point of Interconnection (including the pole, conductor from the pole to the Point of Interconnection, breakers, the revenue metering equipment, and the Phasor Measurement Unit).

- The major EPE Interconnection Facilities required for the interconnection of LA130S are provided in Table A-2 below.

Transmission Provider's side of the PCO. Any such relays or other equipment will be owned, maintained and tested by the Interconnection Customer; Transmission Provider will allow access to the Interconnection Customer for such activities.

Table A-2: Transmission Provider Interconnection Facilities

At the LA130S Substation Site	Switches and breaker to accommodate the transmission line from the LA130S Generating Facility
LA130S Gen Tie-in	Tie-in the Interconnection Customer's 345 kV transmission line from the LA130S Generating Facility into the new LA130S POI 345 kV substation
Revenue Metering	Between the POI and the interconnection line for all projects
Phasor Measurement Unit	Between the POI and the interconnection line for all projects

II. NETWORK UPGRADES

Network Upgrades are facilities from the Point of Interconnection out to the transmission system, paid for by the Interconnection Customer(s) but owned and operated by EPE. The following facilities, shown in Table A-3, to be installed for NRIS interconnection service to the cluster participants are designated as Network Upgrades:

Table A-3: Network Upgrade Facilities for the Spring 2019 Cluster

LA130S Substation	New LA130S POI 345 kV substation
Luna to Afton North Tie-in	Tying in the existing Luna to Afton North 345 kV transmission line into the new LA130S POI 345 kV substation
Escondido Substation	Adding bay to the Escondido substation to connect the CO100SB Generating Facility
Chaparral Substation	Expanding/adding 115kV bus work to accommodate upgrade/new work
Chaparral to Escondido Rebuild	Upgrading transmission line pole-by-pole from the Chaparral substation to the Escondido substation

The LA130S POI Substation is a Stand Alone Network Upgrade under this LGIA, with the exception of system protection and control, and the tie-in of the LA130S POI Substation into the EPE transmission system.

III. DISTRIBUTION FACILITIES: None. [4]

[4] Not Applicable to this Agreement with the exception of station service equipment and facilities.

Appendix B: Milestones

Appendix B to LGIA

MILESTONES

The Interconnection Customer has elected the following option pursuant to Section 5.1 of this LGIA (check one):

☐ **Standard Option, under which the Transmission Provider Designs, Procures and Constructs.**

☒ **X** **Option to Build, under which the Interconnection Customer Designs, Procures and Constructs the Stand-Alone Network Upgrade.**

Interconnection Customer's Milestones: (includes activities per Art. 5.5.2, 5.5.3, 5.6.3, 5.6.4 and 11.5)

Milestone	Date[5]	Responsible Party
Effective Date of the LGIA	**Upon execution by both parties,[6] unless FERC designates a different effective date.**	**Both Parties**

[5] The dates shown related to construction activities, backfeed, trial operation, etc. are estimates. Delays may be encountered for a variety of reasons, including, but not limited to right of way acquisition, permitting, inclement weather that impedes construction, the inability to take line outages due to reliability or other reasons, delays in the posting of financial security, whether work is suspended by the Interconnection Customer, etc. The Transmission Provider typically does not permit transmission line outages from mid-May to late September.

[6] If the LGIA is unexecuted and the Interconnection Customer requests that EPE file the unexecuted LGIA with the Federal Energy Regulatory Commission (FERC), the effective date shall be the date designated by the FERC.

Milestone	Date[5]	Responsible Party
Interconnection Customer to provide $500,000 to EPE in the form of a letter of credit, or other form of security that is reasonably acceptable to EPE,[7] for permitting, and preliminary engineering design work associated with Transmission Provider Interconnection Facilities and Network Upgrades. Interconnection Customer is to provide, at the same time, written authorization for Transmission Provider to proceed with such work.	**Completed**	**Interconnection Customer**
Certification by each Party of satisfaction of all insurance requirements (per Art. 18.3.9)	**Completed**	**Both Parties**
Interconnection Customer to increase its financial security to $6,144,043 provided to EPE in the form of a letter of credit, or other form of security that is reasonably acceptable to EPE, for detail engineering, procurement and construction of the initial portion of Transmission Provider's Interconnection Facilities and Network Upgrades. Interconnection Customer is to provide, at the same time, written authorization for Transmission Provider to proceed with such work.	**May 31, 2023**	**Interconnection Customer**

[7] The amounts of financial security identified in Appendix B are subject to change, upon notice by Transmission Provider, depending upon changes in senior or equal-queued requests, changes in the cost of materials, or other such items. Some of the milestones are completed pursuant to the LA130S LGIA made effective by FERC as of May 29, 2022 (See 180 FERC ¶ 61,103 (Aug. 19, 2022)).

Milestone	Date[5]	Responsible Party
Initial Scoping Meeting between Interconnection Customer and Transmission Provider regarding engineering, construction activities related to Interconnection Customer's exercise of the Option to Build the Stand Alone Network Upgrade and Interconnection Facilities, the LA130S Substation, for purposes of coordination of work scope and timeline.	**Within 60 Calendar Days of Effective Date of LGIA and execution of Confidentiality Agreement.**	**Both Parties**
Monthly or quarterly coordination meetings between Interconnection Customer and Transmission Provider regarding the progress of engineering, procurement, and construction of the LA130S Substation, required tie-in(s), and protection systems.	**Monthly, or quarterly meetings, as deemed appropriate by both parties, starting after the Initial Scoping Meeting.**	**Both Parties**
Interconnection Customer to provide additional financial security payment for $5,000,000 to EPE in the form of a letter of credit, or other form of security that is reasonably acceptable to EPE, for detail engineering, procurement and construction of a portion Transmission Provider's Interconnection Facilities and Network Upgrades. Interconnection Customer is to provide, at the same time, written authorization for Transmission Provider to proceed with such work.	**Date of Installation of substation LA130S 345kV Circuit Breakers.**	**Interconnection Customer**

Milestone	Date[5]	Responsible Party
Submission of initial specifications for the Interconnection Customer's Interconnection Facilities under Art. 5.10.1, Information Submission of Transmission Provider under Art. 24.2, and Updated Information Submission of Interconnection Customer under Art. 24.3	**At least 180 Calendar Days prior to Trial Operation/Initial Synchronization Date, but in no event later than 5/5/2024[8]**	**Both Parties**
Submission of final specifications for the Interconnection Customer's Interconnection Facilities (per Art. 5.10.1)	**No later than 90 Calendar Days following tender of initial specifications, and at least 90 Calendar Days prior to Trial Operation/Initial Synchronization Date**	**Interconnection Customer**
Control Area written notification by Interconnection Customer (per Art. 9.2)	**At least three months before back feed power date**	**Interconnection Customer**
Back feed power	**No earlier than three months before Commercial Operation Date**	**Interconnection Customer, with Transmission Provider's consent**
Trial Operation start and Initial Synchronization Date, including export power testing sequence start	**30 Calendar Days following the back-feed power date**	**Interconnection Customer, with Transmission Provider's written consent**

[8] The May 5, 2024 date assumes no suspension of work.

Milestone	Date[5]	Responsible Party
Commercial Operation Date (COD):	**The Interconnection Customer has identified a desire to achieve Commercial Operation on December 31, 2024;[9] however, Transmission Provider estimates that after any and all land acquisition/easements and environmental services/permitting have been obtained by the Interconnection Customer and transferred to EPE, the engineering, procurement and construction necessary for all Network Upgrades in the Interconnection Customer's NRIS cluster is estimated to take 54 months. COD Timing is also contingent on timely postings of financial security by Interconnection Customer and notifications by Interconnection Customer and assumes no Suspension of Work.[10]**	**The Interconnection Customer, using the form of notification found in Appendix E after EPE approves testing period.** **The facility work to be completed in advance of the COD of the Interconnection Customer's Large Generating Facility is the responsibility of both parties.**

Pursuant to Section 5.1.3 of this LGIA, the LA130S Interconnection Customer has assumed the responsibility for the engineering, design, procurement and construction of the Transmission Provider's Interconnection Facilities and the Stand Alone Network Upgrades identified in Appendix A.

[9] This COD date represents the Interconnection Customer's second requested COD extension.
[10] The ability to take line outages to permit COD activities may be impeded due to reliability or other reasons.

Appendix C: Interconnection Details

Appendix C to LGIA

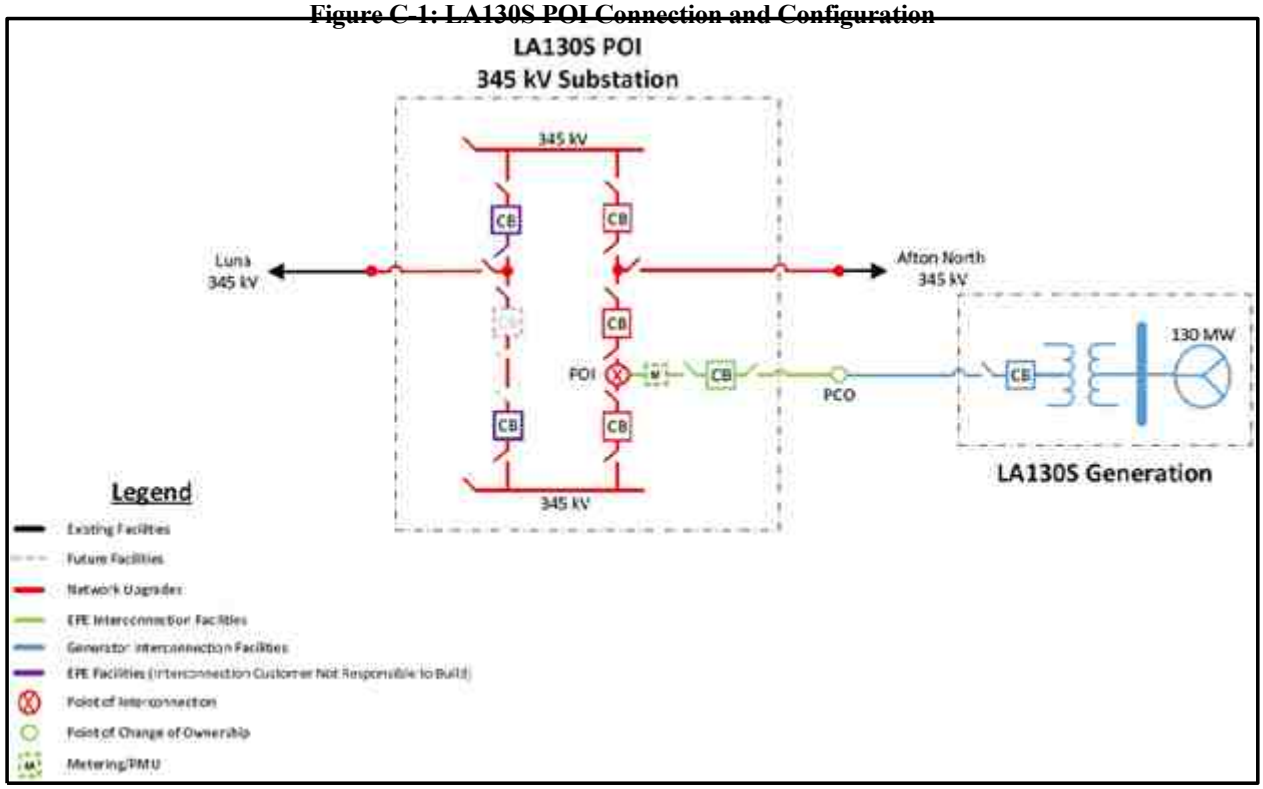
INTERCONNECTION DETAILS[11]

At the time this Interconnection Agreement is being entered into, LA130S is one of two (2) Cluster Projects requesting Network Resource Interconnection Service ("NRIS").

Identification of the Cluster Study Requiring Network Upgrades: **Spring 2019 Cluster Study**
Identification of the Interconnectors in Cluster: **LA130S and CO100SB**

Figure C-1 shows the new LA130S POI 345 kV substation connecting the new Generator Facility and intersecting the Luna to Afton North 345 kV transmission line.

Figure C-1: LA130S POI Connection and Configuration



[11] This Appendix C identifies the facilities required for an Interconnection Customer's Interconnection Request. If an Interconnection Customer's Interconnection Request was studied as part of a Queue Cluster, the costs for Network Upgrades associated with a specific Queue Cluster will be allocated pursuant to Section 4.2.2 of the Large Generator Interconnection Procedures in Attachment M of EPE's OATT.

A. TRANSMISSION PROVIDER INTERCONNECTION FACILITIES

Table C-1 shows the cost estimate for the design and construction of the EPE Interconnection Facilities at the site of the Point of Interconnection substation, upstream of the Point of Interconnection.

Table C-1: LA130S POI 345 kV Substation - EPE Interconnection Facilities Cost Estimate

Item	Material Cost	Contract Labor	Engineering	Construction Management	Total
Substation	$843,000	$397,000	$124,000	$124,000	$1,488,000
System Protection & Control	$444,000	$269,000	$72,000	$72,000	$857,000
Contingency (20% Substation)	$258,000	$134,000	$40,000	$40,000	$472,000
EPE Direct Cost (6%)	$78,000	$40,000	$12,000	$12,000	$142,000
Total Design and Construction Cost	**$1,623,000**	**$840,000**	**$248,000**	**$248,000**	**$2,959,000**

The cost estimate of the EPE Interconnection Facilities required to connect the LA130S Generating Facility and its associated gen-tie line to EPE's facilities at the Point of Change of Ownership, upstream of the LA130S POI 345 kV substation, is shown in Table C-6 below.

Table C-6: LA130S Generating Facility Tie-In - EPE Interconnection Facilities Cost Estimate

	Material		
Structure Costs	$144,000	$61,000	$205,000
Foundation Costs	$76,000	$100,000	$176,000
Installed Wires	$11,000	$82,000	$93,000
Construction Incidentals	$0	$33,000	$33,000
Engineering	$0	$26,000	$26,000
Construction Management	$0	$31,000	$31,000
Contingency (10%)	$24,000	$34,000	$58,000
EPE Direct Cost (6%)	$14,000	$15,000	$29,000
Total Design and Construction	**$269,000**	**$382,000**	**$651,000**

B. NETWORK UPGRADES

Network Upgrades are separated into two categories: (1) station equipment network upgrades, including switching stations, and (2) transmission lines, transformers, and voltage support related Network Upgrades. For station equipment network upgrades, costs are allocated to the interconnection customer interconnecting to the substation, or, where multiple interconnection customers propose to interconnect at the same substation, costs are allocated among those interconnection customers on a *pro rata* basis depending on the number of interconnection requests.

With regard to transmission lines, transformers, and voltage support related Network Upgrades, the costs for those upgrades are allocated among the interconnection customers in the cluster using a proportional capacity method under which costs are allocated to interconnection customers in the cluster based on their MW contribution to the total MWs in the cluster.[12]

Category One: Point of Interconnection Station Equipment Network Upgrades

a. LA130S 345 kV Substation

A new 345 kV substation will need to be constructed for the interconnection of the LA130S Generating Facility to EPE's transmission system. The new substation will be designed as a two (2) bay, four (4) position, breaker and a half configuration switchyard. This installation will include three (3) circuit breakers for the bays, disconnect switches, a new control equipment enclosure, and the associated protection and control equipment. An additional circuit breaker and disconnect switches will be installed on the transmission line that connects to the LA130S Generating Facility. The new substation will also have accommodations for a future line or generator connection.

[12] See Section 4.2.2 of the Large Generator Interconnection Procedures in Attachment M of EPE's OATT.

Figure C-1 in Appendix A shows the new LA130S POI 345 kV substation connecting the new Generator Facility and intersecting the Luna to Afton North 345 kV transmission line.

Table C-2 shows the cost estimate for the design and construction of the substation Network Upgrades associated with the proposed LA130S POI 345 kV substation.

Table C-2: LA130S POI 345 kV Substation - Network Upgrade Cost Estimate

Item	Material Cost	Contract Labor	Engineering	Construction Management	Total
Substation	$2,787,000	$1,434,000	$423,000	$423,000	$5,067,000
System Protection & Control	$1,624,000	$275,000	$190,000	$190,000	$2,279,000
Contingency (20% Substation)	$883,000	$342,000	$123,000	$123,000	$1,471,000
EPE Direct Cost (6%)	$265,000	$103,000	$37,000	$37,000	$442,000
Network Upgrades - Land Acquisition	$0	$0	$0	$0	$0
Network Upgrades - Environmental Services	$0	$0	$0	$0	$0
Total Design and Construction Cost	**$5,559,000**	**$2,154,000**	**$773,000**	**$773,000**	**$9,259,000**

The LA130S POI 345 kV substation will be located within the footprint of the Interconnection Customer's easement for the LA130S solar farm. As a result, no additional land acquisition/easements were assumed to be required for the POI substation.

Environmental services/permitting will be handled by the Interconnection Customer for the new LA130S POI 345 kV substation at the requested location and were not included in the cost estimates.

b. Escondido 115 kV Substation

A new 115 kV connection will need to be constructed to connect the CO100SB Generator Facility to EPE's 115 kV Escondido switchyard. This new connection will occupy the fourth position on the two (2) bay, breaker and a half configuration at the Escondido 115 kV switchyard. This connection will be performed by installing two (2) circuit breakers on the bay. An additional circuit breaker will be installed on the CO100SB transmission

line. The project will also include all the associated protection, metering, and control equipment.

Table C-4 shows the cost estimate for the design and construction of the Network Upgrades associated with the Escondido 115 kV substation.

Table C-4: Escondido 115 kV Substation - Network Upgrade Cost Estimate

Item	Material Cost	Contract Labor	Engineering	Construction Management	Total
Substation	$449,000	$273,000	$73,000	$73,000	$868,000
System Protection & Control	$232,000	$199,000	$44,000	$44,000	$519,000
Contingency (20% Substation)	$137,000	$95,000	$24,000	$24,000	$280,000
EPE Direct Cost (6%)	$41,000	$29,000	$8,000	$8,000	$86,000
Total Design and Construction Cost	**$859,000**	**$596,000**	**$149,000**	**$149,000**	**$1,753,000**

The required equipment additions will be located within the footprint of the Escondido 115 kV substation. As a result, no additional land acquisition/easements were assumed to be required for the substation.

Environmental services/permitting were assumed not to be required for the Escondido 115 kV substation modifications required to facilitate the CO100SB generation interconnection.

Category Two: Other Network Upgrades, Including Transmission Lines, Transformers, and Voltage Support-Related Network Upgrades

a. Chaparral 115 kV Substation

In order to accommodate the new Escondido to Chaparral line rating, several sections of bus in the Chaparral 115 kV substation will need to be upgraded to 3” AL Bus. In addition, the substation dead-end will need to be replaced to account for the new line design.

Figure C-3 shows the section of bus that will be updated.

Figure C-3: Chaparral 115 kV Configuration

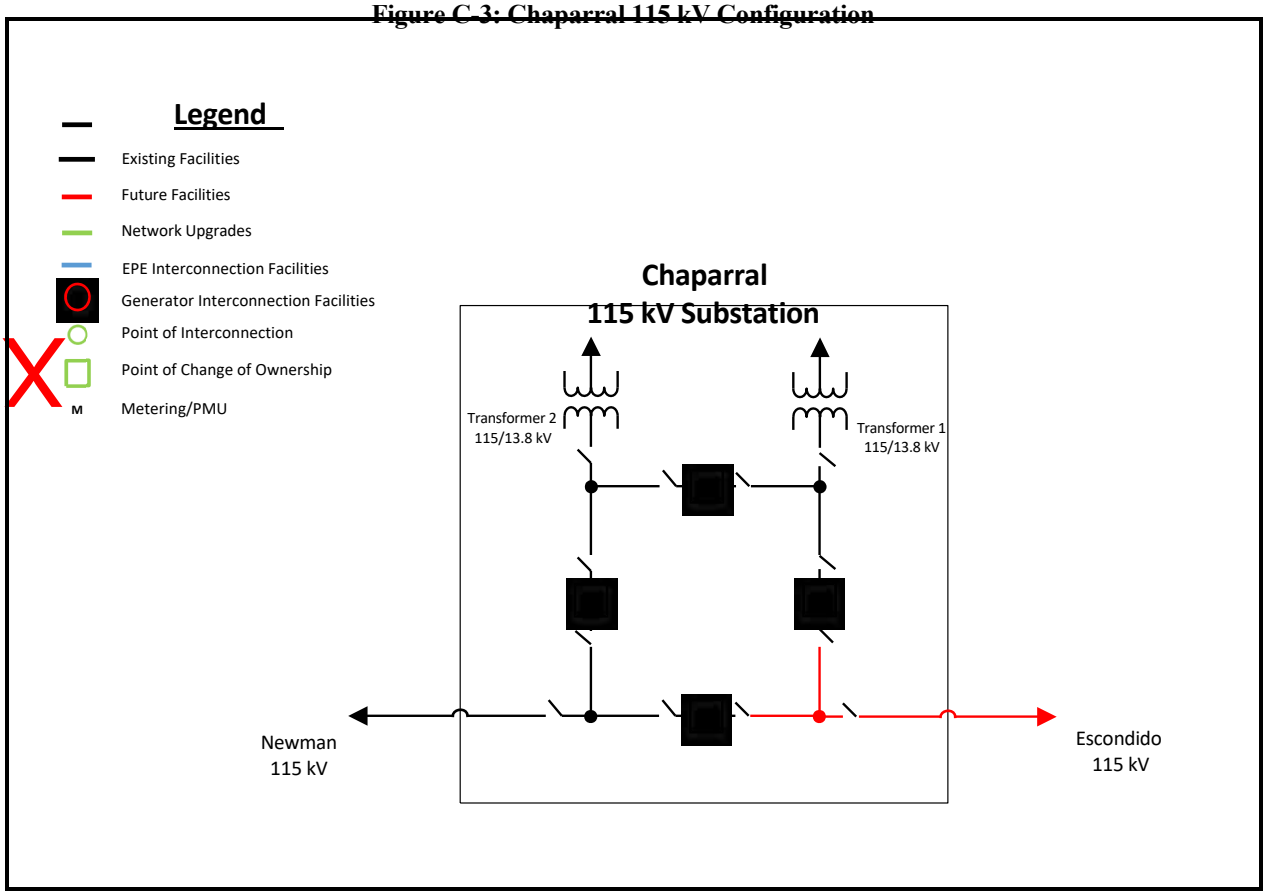


Table C-5 shows the cost estimate for the design and construction of the Network Upgrades associated with the Chaparral 115 kV substation.

Table C-5: Chaparral 115 kV Substation - Network Upgrade Cost Estimate

Item	Material	Contract	Engineering	Construction	Total
Substation	$74,000	$74,000	$15,000	$15,000	$178,000
System Protection & Control	$11,000	$14,000	$3,000	$3,000	$31,000
Contingency (20% Substation)	$17,000	$18,000	$4,000	$4,000	$43,000
EPE Direct Cost (6%)	$6,000	$6,000	$2,000	$2,000	$16,000
Total Design and Construction Cost	**$108,000**	**$112,000**	**$24,000**	**$24,000**	**$268,000**

b. LA130S 345 kV Tie-ins

The cost estimate of the Network Upgrades required to tie-in the existing Luna to Afton North 345 kV transmission line into the new LA130S POI 345 kV substation is shown in Table C-7.

Table C-7: Luna to Afton North Tie-in - Network Upgrade Cost Estimate

Item	Material Cost	Labor	Total
Structure Costs	$298,000	$121,000	$419,000
Foundation Costs	$174,000	$211,000	$385,000
Installed Wires	$22,000	$112,000	$134,000
Construction - Incidentals	$0	$66,000	$66,000
Engineering	$0	$51,000	$51,000
Construction - Management	$0	$61,000	$61,000
Contingency (10%)	$50,000	$63,000	$113,000
EPE Direct Cost (6%)	$30,000	$27,000	$57,000
Total Design and Construction	**$574,000**	**$712,000**	**$1,286,000**

c. Chaparral to Escondido 115 kV Rebuild[13]

The cost estimate of the Network Upgrades required to rebuild the Chaparral to Escondido 115 kV transmission line is shown in Table C-9.

Table C-9: Chaparral to Escondido Rebuild (or new line) - Network Upgrade Cost Estimate

	Material		
Structure Costs	$6,315,000	$1,157,000	$7,472,000
Foundation Costs	$188,000	$473,000	$661,000
Installed Wires	$1,195,000	$766,000	$1,961,000
Removals	$0	$2,150,000	$2,150,000
Construction Incidentals	$0	$335,000	$335,000

[13] For the Chaparral to Escondido 115 kV transmission line, it was assumed that the rebuild will utilize the existing ROW; however, if it is later determined that a new transmission line from Chaparral to Escondido should be built, rather than rebuilding in place, additional land acquisition/easements may be required (though not accounted for in the cost and time estimates shown in this Interconnection Agreement).

Engineering	$0	$629,000	$629,000
Construction Management	$0	$755,000	$755,000
Contingency (10%)	$770,000	$627,000	$1,397,000
EPE Direct Cost (6%)	$462,000	$144,000	$606,000
Total Design and Construction	**$8,930,000**	**$7,036,000**	**$15,966,000**

C. COST SUMMARY

The total cost estimates for the EPE Interconnection Facilities for LA130S and the Network Upgrades required by the Cluster Study are presented in Table C-10 and Table C-11.

Table C-10: Transmission Provider Interconnection Facilities for LA130S Interconnector

Item	Material Cost	Labor Cost	Engineering	Construction Management	Contingency	EPE Direct Costs	Total
LA130S Substation	$1,287,000	$666,000	$196,000	$196,000	$472,000	$142,000	$2,959,000
LA130S Gen Tie-in	$231,000	$276,000	$26,000	$31,000	$58,000	$29,000	$651,000
LA130S EPE Interconnection Costs	**$1,518,000**	**$942,000**	**$222,000**	**$227,000**	**$530,000**	**$171,000**	**$3,610,000**

Table C-11: Total Network Upgrade Cost Estimate for the Cluster

Item	Material Cost	Labor Cost	Engineering	Construction	Contingency	EPE Direct	Total
LA130S Substation	$4,411,000	$1,709,000	$613,000	$613,000	$1,471,000	$442,000	$9,259,000
Luna to Afton North Tie-in	$494,000	$510,000	$51,000	$61,000	$113,000	$57,000	$1,286,000
Escondido Substation	$681,000	$472,000	$117,000	$117,000	$280,000	$86,000	$1,753,000
Chaparral Substation	$85,000	$88,000	$18,000	$18,000	$43,000	$16,000	$268,000
Chaparral to Escondido Rebuild	$7,698,000	$4,881,000	$629,000	$755,000	$1,397,000	$606,000	$15,966,000
Total Network Upgrade Cost	**$13,369,000**	**$7,660,000**	**$1,428,000**	**$1,564,000**	**$3,304,000**	**$1,207,000**	**$28,532,000**

Cluster Project Cost Allocation

The Spring 2019 Cluster Study requires Network Upgrades. Table C-12 shows the Network Upgrades at the Point of Interconnection Substations (Category One Network Upgrades) and other Network Upgrades, including Transmission System Network Upgrades (Category Two Network Upgrades) and how they are allocated to the Interconnectors in the Spring 2019 Cluster Study.

Table C-12: Network Upgrade Cost Allocation

Network Upgrade Cost Location	Network Upgrade Category (1 or 2)	LA130S Cost Allocation	CO100SB Cost Allocation	Network Upgrade Cost Estimate
~~LA130S POI Substation~~	~~Cat 1~~	~~$9,259,000~~	~~$0~~	~~$9,259,000~~
~~Luna to Afton North Tie-in~~	~~Cat 1~~	~~$1,286,000~~	~~$0~~	~~$1,286,000~~
~~Escondido Substation~~	~~Cat 1~~	~~$0~~	~~$1,753,000~~	~~$1,753,000~~
~~Chaparral Substation~~	~~Cat 2~~	~~$151,478~~	~~$116,522~~	~~$268,000~~
~~Chaparral to Escondido Rebuild~~	~~Cat 2~~	~~$9,024,261~~	~~$6,941,739~~	~~$15,966,000~~
~~**Total Network Upgrade Costs**~~		~~**$19,720,739**~~	~~**$8,811,261**~~	~~**$28,532,000**~~

Table C-13 shows the combined EPE Interconnection and Network Upgrade costs for each of the two (2) projects in the Spring 2019 Generation Cluster.

Table C-13: Total Cost per Cluster Project[14]

Cluster Project	EPE Interconnection Costs	Allocated Network Upgrade Costs - POI	Allocated Network Upgrade Costs -	Total
LA130S	$3,610,000	$9,410,478	$10,310,261	**$23,330,739**
CO100SB	$1,769,000	$1,869,522	$6,941,739	**$10,580,261**

[14] The costs shown in this LGIA are estimates. The Interconnection Customer is responsible for paying the actual costs of interconnection facilities and Network Upgrades.

Construction and Design Assumptions Underlying Cost Estimates

The following key assumptions were identified regarding the facilities required for the interconnection of the Cluster Projects:

1. The Interconnection Customer will be responsible for all land acquisition and will grant EPE the servitudes required for the substation, transmission lines, and access road. The actual parcel locations and sizes will be finalized and agreed upon between EPE and the Interconnection Customer during detail design.
2. All active senior-queued projects and facility upgrades were assumed to be in service prior to beginning construction on Network Upgrades attributed to the Cluster Projects.
3. The cost estimates and project schedules provided in this report do not include Interconnection Customer (Generator) Interconnection Facilities.

Any deviation from these assumptions may have substantial impacts to the project cost and/or schedule.[15]

- **General Assumptions**

  The general assumptions made in developing the design and cost estimates of the substations within the Cluster and other transmission facilities:

  1. Cost estimates provided are good faith "scoping estimates" based on 2021 dollars; no escalation or discount rates were included.
  2. No state, county or city taxes were included.
  3. Contingency for substation facilities were assumed to be 20% of the total material, labor, engineering, and construction management costs.
  4. Contingency for transmission facilities were assumed to be 10% of the total material, labor, engineering, and construction management costs.

[15] To the extent any of these assumptions is later determined to be incorrect, the cost estimate may need to change. As detailed engineering and design proceeds after this LGIA becomes effective, the Transmission Provider may make adjustments to the assumptions identified in this LGIA, including adjustments to structure and equipment type.

5. Estimates were based on equipment and configuration shown in substation layouts.
6. Direct costs for EPE are included in the cost estimates at 6% of the project total rounded up to the nearest thousand. Direct costs may include, but are not limited to EPE program management, project management and overhead costs. Actual direct costs may differ from the estimated value.

- **Design and Construction Assumptions Related to LA130S Substation Costs:**

1. The project will require the installation of three (3) 345 kV 3000A 40kA Gang Operated Breakers on the bays.
2. One (1) 345 kV 3000A 40kA Gang Operated Breaker for the line to LA130S. 3. Eight (8) 3000A Vertical break type switches for the bus, four (4) 3000A Vertical break switches for the lines.[16] All new line and breaker disconnect switches will be motor operated.
4. Three (3) new H-frame dead-end structures will be installed to accommodate the lines to Luna, Afton North, and the new connection to the LA130S PV generator
5. This new facility will be built in a 400' x 400' substation fenced area.
6. Access to this facility is adequate for the new installation.
7. Grading and Foundation installations were assumed not to include any shale or rock excavation.
8. Owner standard structures with loading criteria will be used for foundation design.
9. The remote end line protection at Luna and Afton North and at the LA130S Generation station will have to match the protection for this installation.
10. Primary and backup sources for station power will be installed in each of the busses at this substation.

[16] In addition, EPE will be installing two (2) 3000A Vertical break type switches at the end of each bus to accommodate future expansion. These two breakers are considered neither Interconnection Facilities nor Network Upgrades under this interconnection, and the Interconnection Customer under this LGIA is not responsible for paying for them.

11. Ground Grid was estimated to be installed as a 30’ x 30’ grid. Ground grid will be designed using 4/0, 19 strand bare copper. Final ground grid conductor spacing will be determined based on the ground grid study.
12. Estimate assumed that Communications to the site will be via OPGW. Final pricing will depend on detail engineering.
13. A 16”x 40’ Prefabricated Drop-in control equipment enclosure will be included in the design to enclose all protection and control equipment for the sectionalized lines and the new connection to the new generator.
14. It was assumed that the Interconnection Customer will be responsible for the installation and maintenance of the interconnection line protection relay panels inside the control enclosure.
15. It was assumed that settings at the remote-end stations (Afton North 345 kV and Luna 345 kV) will need to be revised.
16. The cost of a Real Time Digital Simulation (RTDS) study for two lines has been included in the estimate.

- **Design and Construction Assumptions Underlying LA130S kV Tie-In Costs:**

The LA130S POI 345 kV substation tie-ins include the tie-ins to the existing Luna to Afton North 345 kV transmission line and the tie-in to the Interconnection Customer’s new 345 kV gen-tie line from the LA130S Generating Facility.

1. The location of the LA130S POI 345 kV substation shall be adjacent to the existing Luna to Afton North 345 kV line.
2. Two steel three-pole dead-end structures will be required to terminate the Luna to Afton North 345 kV line adjacent to the new LA130S POI 345 kV substation. No modifications to existing structures were assumed to be necessary.
3. One steel three-pole dead-end structure will be required to bring the Interconnection Customer’s new 345 kV gen-tie line from the LA130S Generating Facility into the new LA130S POI 345 kV substation.
4. The conductors shall be 954 kcmil “Rail” double bundled ACSR per phase.

5. All hardware assemblies shall use EPE standard polymer insulators with compression dead-end connections.
6. Ruling Span: 400’
7. Loading: NESC Light District, NESC Medium District, and EPE standards.
8. Maximum Conductor Operating Temperature: 212°F
9. Design tension conductor: 25% RBS maximum under NESC Medium and 25% RBS maximum under NESC Light.
10. Shield wire: 3/8" 7-strand steel EHS wire and SFPOC/SFSJ-J-4062 OPGW.
11. Shield wire: 3/8" 7-strand steel EHS wire and SFPOC/SFSJ-J-4062 OPGW for the Interconnection Customer’s transmission line.
12. SFPOC/SFSJ-J-4062 OPGW will be run between the LA130S Generating Facility and the existing LA130S POI 345 kV substation.
13. Design tension shield wire: 80% of conductor sag under 60°F Normal Conditions.
14. Dead-end Structure Design: Self-supported single circuit steel three-pole structures on concrete drilled shafts.
15. Structure Height: Dead-end structures are 110’ total length.
16. Foundations utilize reinforced drilled piers with anchor bolt cages. Estimated foundation diameters are 8’ and estimated foundation depths are 30’.
17. Foundation sizes and costs were estimated based on data from other projects previously performed in the area.
18. All structures are to be galvanized and estimated cost per pound of steel is $1.95/lb.

- **Design and Construction Assumptions Underlying Chaparral 115 kV Substation Costs:**

1. The project will require the removal of existing 2” bus on the sections depicted on Figure C-3.
2. The estimate accounts for the replacement of the existing dead-end structure. This was assumed to be needed to account for the additional tensions caused by the new conductor configuration.

3. It was assumed that the overall short-circuit current at the site will not require a bus support change and insulators to support the new 3" Al bus.
4. This estimate assumed that the existing switch for the line to Escondido is rated for the new line ampacity and will be reused.
5. The existing CCVT's on the line will be reused.

The required equipment additions will be located within the footprint of the Chaparral 115 kV substation. As a result, no additional land acquisition/easements were assumed to be required for the substation. Environmental services/permitting were assumed not to be required for the Chaparral 115 kV substation bus modifications.

- **Design and Construction Assumptions Underlying Chaparral to Escondido 115 kV Rebuild Costs:**[17]

1. The existing Chaparral to Escondido 115 kV transmission line shall be rebuilt up to the Escondido substation to accommodate bundled 954 ACSR "Rail" conductor to provide sufficient capacity to mitigate thermal overloads identified in the System Impact Study.
2. The Escondido substation will be approximately 9.4 miles from Chaparral. The existing line has a mixture of steel monopole tangents and wooden H-Frames. Dead-end structures are a mixture of guyed wooden three-pole structures and steel monopole structures.
    a. For the rebuild, structures have been placed pole for pole and utilizing the same framing as the existing structure to stay inside the existing ROW.
3. One (1) steel monopole dead-end structure, three (3) steel three-pole dead-end structure, seventy-one (71) steel H-Frame tangents and one (1) steel monopole delta tangent will be required to rebuild the Chaparral to Escondido 115 kV transmission line.

[17] For the Chaparral to Escondido 115 kV transmission line, it was assumed that the rebuild will utilize the existing right-of-way ("ROW"); however, if it is later determined that a new transmission line from Chaparral to Escondido should be built, rather than rebuilding in place, additional land acquisition/easements may be required (though not accounted for in the cost and time estimates shown in this Interconnection Agreement).

a. An additional steel three-pole dead-end structure will be needed to re-connect to the existing transmission on what will become the new Escondido to Oro Grande 115 kV transmission line.

4. The conductors shall be 954 kcmil “Rail” double bundled ACSR per phase.
5. All hardware assemblies shall use EPE standard polymer insulators. Dead-end assemblies shall use compression dead-end connections. Tangent assemblies shall use I-String assemblies.
6. Ruling Span: 600’
7. Loading: NESC Light District, NESC Medium District, and EPE standards.
8. Maximum Conductor Operating Temperature: 212°F
9. Design tension conductor: 25% RBS maximum under NESC Medium and 25% RBS maximum under NESC Light.
10. Shield wire: 3/8" 7-strand steel EHS wire and SFPOC/SFSJ-J-4062 OPGW.
11. Design tension shield wire: 80% of conductor sag under 60°F Normal Conditions.
12. Dead-end Structure Design: Self-supported single circuit monopole and three-pole structures on concrete drilled shafts.
13. Structure Height: Three-pole dead-end structures are 60’ total length. Monopole dead-end structures are 75’ total length.
14. Foundations utilize reinforced drilled piers with anchor bolt cages.
    a. Estimated foundation diameters for monopole dead-end structures are 6’ and estimated foundation depths are 25’.
    b. Estimated foundation diameters for three-pole dead-end structures are 6’ and estimated foundation depths are 15’.
15. Foundation sizes and costs were estimated based on data from other projects previously performed in the area.
16. Tangent Structure Design: Embedded self-supported single circuit H-Frame and monopole delta structures.
    a. H-Frame tangents use H1-75 structures.
    b. Monopole delta tangent structures use H8-95’ structures with davit arms.
17. Embedded foundations utilize crushed rock backfill.

a. Estimated foundation diameters for H-Frame structures are 3’ and estimated depths are 9.5’
b. Estimated foundation diameters for monopole structures are 3.5’ and estimated depths are 115’

Appendix D: Security Arrangements Details

Appendix D to LGIA

Security Arrangements Details

Infrastructure security of Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day Transmission System reliability and operational security. FERC will expect all entities, including Transmission Providers, market participants, and Interconnection Customers interconnected to the Transmission System to comply with the Reliability Standards promulgated by FERC and administered by the North American Electric Reliability Corporation (NERC) and associated Regional Reliability Organizations (RRO). In EPE's service territory, the RRO is the Western Electricity Coordinating Council (WECC).

Appendix E: Commercial Operation Date

Appendix E to LGIA

Commercial Operation Date

This Appendix E is a part of the LGIA between Transmission Provider and Interconnection Customer.

[Date]

[Transmission Provider Address]

Re: _____ Large Generating Facility

Dear _____:

On **[Date] [Interconnection Customer]** has completed Trial Operation of Unit No. ___. This letter confirms that [Interconnection Customer] commenced Commercial Operation of Unit No. ___ at the Large Generating Facility, effective as of [**Date plus one day**].

Thank you.

[Signature]

[Interconnection Customer Representative]

Appendix F: Addresses for Delivery of Notices and Billings

Appendix F to LGIA

Addresses for Delivery of Notices and Billings

Notices:

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Billings and Payments:

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Alternative Forms of Delivery of Notices (telephone, facsimile or email):

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Appendix G: Interconnection Requirements for a Wind Generating Plant

Appendix G to LGIA
Interconnection Requirements for a
Wind Generating Plant

Appendix G sets forth requirements and provisions specific to a wind generating plant. All other requirements of this LGIA continue to apply to wind generating plant interconnections.

A. Technical Standards Applicable to a Wind Generating Plant

i. Low Voltage Ride-Through (LVRT) Capability

A wind generating plant shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard below. The LVRT standard provides for a transition period standard and a post-transition period standard.

Transition Period LVRT Standard

The transition period standard applies to wind generating plants subject to FERC Order 661 that have either: (i) interconnection agreements signed and filed with the Commission, filed with the Commission in unexecuted form, or filed with the Commission as non-conforming agreements between January 1, 2006 and December 31, 2006, with a scheduled in-service date no later than December 31, 2007, or (ii) wind generating turbines subject to a wind turbine procurement contract executed prior to December 31, 2005, for delivery through 2007.

1. Wind generating plants are required to remain in-service during three-phase faults

with normal clearing (which is a time period of approximately 4 - 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles at a voltage as low as 0.15 p.u., as measured at the high side of the wind generating plant step-up transformer (i.e. the transformer that steps the voltage up to the transmission interconnection voltage or "GSU"), after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system.

2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility. 3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.

4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr Compensator, etc.) within the wind generating plant or by a combination of generator performance and additional equipment.

5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

Post-transition Period LVRT Standard

All wind generating plants subject to FERC Order No. 661 and not covered by the transition period described above must meet the following requirements:

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 - 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system. A wind generating plant shall remain interconnected during such a fault on the transmission system for a voltage level as low as zero volts, as measured at the high voltage side of the wind GSU. 2. This requirement does not apply to faults that would occur between the wind

generator terminals and the high side of the GSU.

3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.

4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr Compensator) within the wind generating plant or by a combination of generator performance and additional equipment.

5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

ii. Power Factor Design Criteria (Reactive Power)

The following reactive power requirements apply only to a newly interconnecting wind generating plant that has executed a Facilities Study Agreement as of the effective date of the Final Rule establishing the reactive power requirements for non-synchronous generators in section 9.6.1 of this LGIA (Order No. 827). A wind generating plant to which this provision applies shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this LGIA, if the Transmission Provider's System Impact Study shows that such a requirement is necessary to ensure safety or reliability. The power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability

(taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by the Transmission Provider, or a combination of the two. The Interconnection Customer shall not disable power factor equipment while the wind plant is in operation. Wind plants shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the System Impact Study shows this to be required for system safety or reliability.

iii. Supervisory Control and Data Acquisition (SCADA) Capability

The wind plant shall provide SCADA capability to transmit data and receive instructions from the Transmission Provider to protect system reliability. The Transmission Provider and the wind plant Interconnection Customer shall determine what SCADA information is essential for the proposed wind plant, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability in its area.

Appendix 7 INTERCONNECTION PROCEDURES FOR A WIND GENERATING PLANT

APPENDIX 7 TO LGIP

INTERCONNECTION PROCEDURES FOR A WIND GENERATING PLANT

Appendix G sets forth procedures specific to a wind generating plant. All other requirements of this LGIP continue to apply to wind generating plant interconnections.

A. Special Procedures Applicable to Wind Generators

The wind plant Interconnection Customer, in completing the Interconnection Request required by section 3.3 of this LGIP, may provide to the Transmission Provider a set of preliminary electrical design specifications depicting the wind plant as a single equivalent generator. Upon satisfying these and other applicable Interconnection Request conditions, the wind plant may enter the queue and receive the base case data as provided for in this LGIP.

No later than six months after submitting an Interconnection Request completed in this manner, the wind plant Interconnection Customer must submit completed detailed electrical design specifications and other data (including collector system layout data) needed to allow the Transmission Provider to complete the System Impact study.

Tariff Submitter:	El Paso Electric Company
FERC Tariff Program Name:	FERC FPA Electric Tariff
Tariff Title:	Open Access Transmission Tariff
Tariff Record Proposed Effective Date:	August 15, 2023
Tariff Record Title:	OATT, Nonconforming Service Agreements, Service Agreement No. 389, LGIA with El Paso Electric, 0.0.0
Option Code:	A
The Entity Receiving Service Under the Agreement:	El Paso Electric Company
Brief Description of the Service Agreement:	Nonconforming LGIA

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August 15, 2023

EPE System Planning
Attn: Roberto Favela
P.O. Box 982 – LOC 751
El Paso, Texas 79960
Tel: (915) 521-4418
Email: roberto.favela@epelectric.com

Re: Notice of Assignment and Assumption of Large Generator Interconnection Agreement

Dear Mr. Favela:

This Notice (the "Notice") is submitted pursuant to Large Generator Interconnection Agreement by and between the Interconnection Customer, OneEnergy Development, LLC, ("OneEnergy") and the Transmission Provider, El Paso Electric Company ("EPE"), dated August 15, 2023 (the "LGIA"). Capitalized terms not defined in this Notice have the meaning ascribed to such terms in the LGIA.

In addition to its Transmission Provider function, EPE is also a vertically integrated electric utility whose primary business is serving native load in far west Texas and southern New Mexico. To serve load, EPE from time to time engages in the development of renewable generation facilities. Therefore, pursuant to Article 19 of the LGIA, OneEnergy desires to assign and transfer the LGIA to EPE, which desires to accept the assignment and become the Interconnection Customer. OneEnergy l makes the assignment on the same day that it executes the LGIA. Attached for your reference is the signed Interconnection Services Assignment Agreement between OneEnergy and EPE relating to the LGIA.

With this Notice, we ask that EPE, as the Transmission Provider to the LGIA, consents that EPE will also become the Interconnection Customer under the LGIA. By signing below, we ask that EPE, as a Party to the LGIA, consent to the assignment and transfer from OneEnergy to EPE of all of OneEnergy's rights and obligations under the LGIA.

Please return the executed documents via email to OneEnergy to the following:

Gavin Berg
OneEnergy Development, LLC
2003 Western Avenue, Suite 225
Seattle, WA 98121
Email: Gavin@oneenergyrenewables.com

With a copy to John Lamb at jlamb@oneenergyrenewables.com

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If you have any questions or comments, please contact Gavin Berg directly at (415) 706-3353.

Thank you for your attention to this matter.

Sincerely,

OneEnergy Development, LLC

Gavin Berg

Acknowledged and consented to the assignment on this 15TH day of August, 2023:

El Paso Electric Company

By: DocuSigned by: Dave Hawkins
E93134...DFF85425...
David Hawkins
VP System Operations & Resource Strategy

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Standard Large Generator Interconnection Agreement

STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT

THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT ("Agreement" or "LGIA") is made and entered into this 15th of August 2023 by and between OneEnergy Development, LLC, ("One Energy") a Washington limited liability company, as Interconnection Customer ("Interconnection Customer" with a Large Generating Facility), and EPE, as Transmission Provider ("Transmission Provider and/or Transmission Owner"). Interconnection Customer and Transmission Provider each may be referred to as a "Party" or collectively as the "Parties."

Recitals

WHEREAS, Transmission Provider operates the Transmission System; and

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the two Generating Facilities (SS50S and SS100S) identified as Large Generating Facilities in Appendix C to this Agreement;[1]

WHEREAS, Interconnection Customer and Transmission Provider have agreed to enter into this Agreement for the purpose of interconnecting the two Large Generating Facilities (SS50S and SS100S) with the Transmission System;

WHEREAS, Interconnection Customer plans to share the use of the Interconnection Customer Interconnection Facilities, Transmission Provider Interconnection Facilities and the Point of Interconnection among the two Generating Facilities (SS50S and SS100S) developed by the Interconnection Customer;

WHEREAS, the Interconnection Customer will be responsible for the two Large Generating Facilities (SS50S and SS100S), for purposes of this Agreement;

WHEREAS, the Transmission Provider will issue operating instructions and provide notices and other communications to the two Large Generating Facilities (SS50S and SS100S) through a single point of contact, as identified in Appendix F;

WHEREAS, the two Large Generating Facilities (SS50S and SS100S) identify the same upgrades and facilities to be constructed as necessary for the interconnection under this Agreement; and

WHEREAS, any costs and reimbursements provided for under this Agreement will be assessed or paid only once to or by the Interconnection Customer on behalf of the

[1] As specified in Article 1 (Definitions), for the purpose of this Agreement, unless specifically stated otherwise, the term “Generating Facility” shall refer to two Generating Facilities (SS50S and SS100S).

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two Large Generating Facilities identified in this Agreement.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

When used in this Standard Large Generator Interconnection Agreement, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used or the Open Access Transmission Tariff (Tariff).

Article 1. Definitions

Adverse System Impact shall mean the negative effects due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.

Affected System shall mean an electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

Affiliate shall mean, with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

Ancillary Services shall mean those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Council shall mean the reliability council applicable to the Transmission System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Transmission System to which the Generating Facility is directly interconnected.

Base Case shall mean the base case power flow, short circuit, and stability data

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bases used for the Interconnection Studies by the Transmission Provider or Interconnection Customer.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the Standard Large Generator Interconnection Agreement.

Breaching Party shall mean a Party that is in Breach of the Standard Large Generator Interconnection Agreement.

Business Day shall mean Monday through Friday, excluding Federal Holidays.

Calendar Day shall mean any day including Saturday, Sunday or a Federal Holiday.

Clustering shall mean the process whereby a group of Interconnection Requests is studied together, instead of serially, for the purpose of conducting the Interconnection System Impact Study.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Standard Large Generator Interconnection Agreement.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Control Area shall mean an electrical system or systems bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the interconnection. A Control Area must be certified by the Applicable Reliability Council.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Standard Large Generator Interconnection Agreement.

Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution System shall mean the Transmission Provider's facilities and

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equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

Distribution Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which the Standard Large Generator Interconnection Agreement becomes effective upon execution by the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of a Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Transmission Provider's Transmission System, Transmission Provider's Interconnection Facilities or the electric systems of others to which the Transmission Provider's Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by the Standard Large Generator Interconnection Agreement to possess black start capability.

Energy Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to connect its Generating Facility to the Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or nonfirm capacity of the Transmission Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

Engineering & Procurement (E&P) Agreement shall mean an agreement that authorizes the Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

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Federal Power Act shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a et seq.

FERC shall mean the Federal Energy Regulatory Commission (Commission) or its successor.

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility shall mean Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request but shall not include the Interconnection Customer's Interconnection Facilities. For the purpose of this Agreement, unless specifically stated otherwise, the term "Generating Facility" shall refer to two Generating Facilities (SS50S and SS100S).

Generating Facility Capacity shall mean the net capacity of the two Generating Facilities (SS50S and SS100S) and the aggregate net capacity of the Generating Facilities where they include multiple energy production devices.

Good Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer, Transmission Provider, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials,"

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"extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Transmission Provider's Interconnection Facilities to obtain back feed power.

Interconnection Customer shall mean any entity, including the Transmission Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the Transmission Provider's Transmission System. Where the Interconnection Customer and the Transmission Provider are the same entity, application of the following provisions set forth herein is not required: provisions governing the posting of security (in Articles 5 and 11), provisions governing taxes and reimbursements for tax liability (in Article 5), provisions governing indemnity, consequential damages and insurance (in Article 18), and provisions governing billing and payment (in Articles 12 and 15) (invoices are not required, but may be generated and tendered for administrative use to aid in the identification and accounting of costs).

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the Standard Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System.

Interconnection Facilities shall mean the Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Study shall mean a study conducted by the Transmission Provider or a third party consultant for the Interconnection Customer to

determine a list of facilities (including Transmission Provider's Interconnection Facilities and Network Upgrades as identified in the Interconnection System Impact Study), the

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cost of those facilities, and the time required to interconnect the Generating Facility with the Transmission Provider's Transmission System. The scope of the study is defined in Section 8 of the Standard Large Generator Interconnection Procedures.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 3 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Facilities Study.

Interconnection Feasibility Study shall mean a preliminary evaluation of the system impact and cost of interconnecting the Generating Facility to the Transmission Provider's Transmission System, the scope of which is described in Section 6 of the Standard Large Generator Interconnection Procedures.

Interconnection Feasibility Study Agreement shall mean the form of agreement contained in Appendix 2 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Feasibility Study.

Interconnection Request shall mean an Interconnection Customer's requests, in the form of Appendix 1 to the Standard Large Generator Interconnection Procedures, in accordance with the Tariff, to interconnect a two new Generating Facilities (SS50S and SS100S), or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider's Transmission System.

Interconnection Service shall mean the service provided by the Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Transmission Provider's Transmission System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Standard Large Generator Interconnection Agreement and, if applicable, the Transmission Provider's Tariff.

Interconnection Study shall mean any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study described in the Standard Large Generator Interconnection Procedures.

Interconnection System Impact Study shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of Transmission Provider's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in the Interconnection Feasibility Study, or to study potential impacts, including but not limited to those identified in the

Scoping Meeting as described in the Standard Large Generator Interconnection Procedures.

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Interconnection System Impact Study Agreement shall mean the form of agreement contained in Appendix 3 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection System Impact Study.

IRS shall mean the Internal Revenue Service.

Joint Operating Committee shall be a group made up of representatives from Interconnection Customers and the Transmission Provider to coordinate operating and technical considerations of Interconnection Service.

Large Generating Facility shall mean a Generating Facility having a Generating Facility Capacity of more than 20 MW.

Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non performance of its obligations under the Standard Large Generator Interconnection Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnifying Party.

Material Modification shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Standard Large Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

NERC shall mean the North American Electric Reliability Council or its successor organization.

Network Resource shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Network Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission Provider's Transmission System (1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities

to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource

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Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Facilities connect to the Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Standard Large Generator Interconnection Agreement or its performance.

Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 5 of the Standard Large Generator Interconnection Procedures for conducting the Optional Interconnection Study.

Party or **Parties** shall mean Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Customer's Interconnection Facilities connect to the Transmission Provider's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Facilities connect to the Transmission Provider's Transmission System.

Provisional Interconnection Service shall mean Interconnection Service provided by Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to Transmission Provider's Transmission System and enabling that Transmission System to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

Provisional Large Generator Interconnection Agreement shall mean the interconnection agreement for Provisional Interconnection Service established between Transmission Provider and/or the Transmission Owner and the

Interconnection Customer. This agreement shall take the form of the Large Generator Interconnection Agreement, modified for provisional purposes.

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Queue Position shall mean the order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by the Transmission Provider.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Standard Large Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Scoping Meeting shall mean the meeting between representatives of the Interconnection Customer and Transmission Provider conducted for the purpose of discussing alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection.

Site Control shall mean documentation reasonably demonstrating: (1) ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Generating Facility; (2) an option to purchase or acquire a leasehold site for such purpose; or (3) an exclusivity or other business relationship between Interconnection Customer and the entity having the right to sell, lease or grant Interconnection Customer the right to possess or occupy a site for such purpose.

Small Generating Facility shall mean a Generating Facility that has a Generating Facility Capacity of no more than 20 MW.

Stand Alone Network Upgrades shall mean Network Upgrades that are not part of an Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Large Generator Interconnection Agreement. If the Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, the Transmission Provider must provide the Interconnection Customer a written technical explanation outlining why the Transmission Provider does not consider the Network Upgrade to be a Stand Alone Network Upgrade within 15 days of its determination.

Standard Large Generator Interconnection Agreement (LGIA) shall mean the form of interconnection agreement applicable to the Interconnection Customer's Large Generating Facilities that is presented here in the form entered into between the Parties.

The LGIA contains non-conforming provisions not included in the form of agreement in Transmission Provider's Tariff.

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Standard Large Generator Interconnection Procedures (LGIP) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that are included in the Transmission Provider's Tariff.

Surplus Interconnection Service shall mean any unneeded portion of Interconnection Service established in a Large Generator Interconnection Agreement, such that if Surplus Interconnection Service is utilized the total amount of Interconnection Service at the Point of Interconnection would remain the same.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Transmission Provider's Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Transmission Provider's Transmission System or on other delivery systems or other generating systems to which the Transmission Provider's Transmission System is directly connected.

Tariff shall mean the Transmission Provider's Tariff through which open access transmission service and Interconnection Service are offered, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

Transmission Owner shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Standard Large Generator Interconnection Agreement to the extent necessary.

Transmission Provider shall mean the public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

Transmission Provider's Interconnection Facilities shall mean all facilities and equipment owned, controlled or operated by the Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Standard Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Transmission System shall mean the facilities owned, controlled or operated by the Transmission Provider or Transmission Owner that are used to provide transmission service under the Tariff.

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Trial Operation shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

Variable Energy Resource shall mean a device for the production of electricity that is characterized by an energy source that: (1) is renewable; (2) cannot be stored by the facility owner or operator; and (3) has variability that is beyond the control of the facility owner or operator.

Article 2. Effective Date, Term, and Termination

2.1 Effective Date. This LGIA shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC. Transmission Provider shall promptly file this LGIA with FERC upon execution in accordance with Article 3.1, if required.

2.2 Term of Agreement. Subject to the provisions of Article 2.3, this LGIA shall remain in effect for a period of ten (10) years from the Effective Date or such other longer period as Interconnection Customer may request (Term to be specified in individual agreements) and shall be automatically renewed for each successive one-year period thereafter.

2.3 Termination Procedures.

2.3.1 Written Notice. This LGIA may be terminated by Interconnection Customer after giving Transmission Provider ninety (90) Calendar Days advance written notice, or by Transmission Provider notifying FERC after the Generating Facility permanently ceases Commercial Operation.

2.3.2 Default. Either Party may terminate this LGIA in accordance with Article 17.

2.3.3. Notwithstanding Articles 2.3.1 and 2.3.2, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this LGIA, which notice has been accepted for filing by FERC.

2.4 Termination Costs. If a Party elects to terminate this Agreement pursuant to Article 2.3 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party, as of the date of the other

Party's receipt of such notice of termination, that are the responsibility of the Terminating Party under this LGIA. In the event of termination by a Party, the

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Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this LGIA, unless otherwise ordered or approved by FERC:

2.4.1 With respect to any portion of Transmission Provider's Interconnection Facilities that have not yet been constructed or installed, Transmission Provider shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Transmission Provider shall deliver such material and equipment, and, if necessary, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Transmission Provider for any or all such costs of materials or equipment not taken by Interconnection Customer, Transmission Provider shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by Transmission Provider to cancel any pending orders of or return such materials, equipment, or contracts.

If an Interconnection Customer terminates this LGIA, it shall be responsible for all costs incurred in association with that Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any Network Upgrades for which Transmission Provider has incurred expenses and has not been reimbursed by Interconnection Customer.

2.4.2 Transmission Provider may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Transmission Provider shall be responsible for all costs associated with procuring such materials, equipment, or facilities.

2.4.3 With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this LGIA, Interconnection Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

2.5 Disconnection. Upon termination of this LGIA, the Parties will take all appropriate steps to disconnect the Large Generating Facility from the Transmission System. All costs required to effectuate such disconnection shall be

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borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this LGIA or such non-terminating Party otherwise is responsible for these costs under this LGIA.

2.6 Survival. This LGIA shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this LGIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this LGIA was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this LGIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

Article 3. Regulatory Filings

3.1 Filing. Transmission Provider shall file this LGIA (and any amendment hereto) with the appropriate Governmental Authority, if required. Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 22. If Interconnection Customer has executed this LGIA, or any amendment thereto, Interconnection Customer shall reasonably cooperate with Transmission Provider with respect to such filing and to provide any information reasonably requested by Transmission Provider needed to comply with applicable regulatory requirements.

Article 4. Scope of Service

4.1 Interconnection Product Options. Interconnection Customer has selected the following (checked) type of Interconnection Service:

4.1.1 Energy Resource Interconnection Service

4.1.1.1 The Product. Energy Resource Interconnection Service allows Interconnection Customer to connect the Large Generating Facility to the Transmission System and be eligible to deliver the Large Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an "as available" basis. To the extent Interconnection Customer wants to receive Energy Resource Interconnection Service, Transmission Provider shall construct facilities identified in Attachment A.

4.1.1.2 Transmission Delivery Service Implications. Under Energy Resource Interconnection Service, Interconnection Customer

will be eligible to inject power from the Large Generating Facility into and deliver power across the interconnecting

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Transmission Provider's Transmission System on an "as available" basis up to the amount of MWs identified in the applicable stability and steady state studies to the extent the
Resource
Where
Interconnection
Customer may place a bid to sell into the market up to the maximum identified Large Generating Facility output, subject
service
approval, and the Large Generating Facility will be dispatched to the extent Interconnection Customer's bid clears. In all other instances, no transmission delivery service
Interconnection Customer may obtain Point-to-Point Transmission Service, Network Integration Transmission Service, or be used for secondary network transmission service, pursuant to Transmission Provider's Tariff, up to the
state
Interconnection
inject energy
beyond the Large Generating Facility Point of Interconnection or to improve its ability to do so, transmission delivery service must be obtained pursuant to the provisions of Transmission Provider's Tariff. The Interconnection Customer's ability to inject its Large Generating Facility output beyond the Point of Interconnection, therefore, will depend on the existing capacity of Transmission Provider's Transmission System at
would accommodate such delivery. The provision of firm Point-to-Point Transmission Service or Network Integration
construction of
additional Network Upgrades.

4.1.2 Network Resource Interconnection Service. (Selected)

4.1.2.1 The Product. Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility (1) in a manner comparable to that in which Transmission Provider integrates

its generating facilities to serve native load customers; or (2) in an ISO or RTO with market based congestion management, in the same manner as all Network Resources. To the extent Interconnection Customer wants to receive Network Resource Interconnection Service, Transmission

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Provider shall construct the facilities identified in Attachment A to this LGIA.

4.1.2.2 Transmission Delivery Service Implications. Network Resource Interconnection Service allows Interconnection Customer's Large Generating Facility to be designated by any Network Customer under the Tariff on Transmission Provider's Transmission System as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a Interconnection Service does not convey a reservation of transmission service, any Network Customer under the Tariff obtain Interconnection Customer's Large Generating Facility in the same manner as Facility Service may also be used to provide Ancillary Services after technical studies and/or periodic analyses are performed with respect to applicable Ancillary Services, provided that such studies and with existing Customer's Large Generating Facility has not been designated as a Network Resource by any load, it cannot be required to provide Ancillary Services except to the extent such requirements extend to all generating facilities that are similarly situated. The provision of Network Integration Transmission Service or firm Point-to-Point Transmission Service may require additional studies and the construction of would be associated with a request for delivery service under upgrades pricing Interconnection Service does not necessarily provide Interconnection Customer with the capability to physically deliver the output of its Large Generating Facility to any

particular load on Transmission Provider's Transmission System without incurring congestion costs. In the event of transmission constraints on Transmission Provider's

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Transmission System, Interconnection Customer's Large Generating Facility shall be subject to the applicable congestion management procedures in Transmission Provider's Transmission System in the same manner as Network Resources.

There is no requirement either at the time of study or interconnection, or at any point in the future, that Interconnection Customer's Large Generating Facility be designated as a Network Resource by a Network Service Customer under the Tariff or that Interconnection Customer identify a specific buyer (or sink). To the extent a Network Customer does designate the Large Generating Facility as a Network Resource, it must do so pursuant to Transmission Provider's Tariff.

Once an Interconnection Customer satisfies the requirements for obtaining Network Resource Interconnection Service, any future transmission service request for delivery from the Large Generating Facility within Transmission Provider's Transmission System of any amount of capacity and/or energy, up to the amount initially studied, will not require that any additional studies be performed or that any further upgrades associated with such Large Generating Facility be undertaken, regardless of whether or not such Large Generating Facility is ever designated by a Network Customer as a Network Resource and regardless of changes in ownership of the Large Generating Facility. However, the reduction or elimination of congestion or redispatch costs may require additional studies and the construction of additional upgrades.

To the extent Interconnection Customer enters into an arrangement for long term transmission service for deliveries from the Large Generating Facility outside Transmission Provider's Transmission System, such request may require additional studies and upgrades in order for Transmission Provider to grant such request.

4.2 Provision of Service. Transmission Provider shall provide Interconnection Service for the Large Generating Facility at the Point of Interconnection.

4.3 Performance Standards. Each Party shall perform all of its obligations under this LGIA in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is

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required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this LGIA for its compliance therewith. If such Party is a Transmission Provider or Transmission Owner, then that Party shall amend the LGIA and submit the amendment to FERC for approval.

4.4 No Transmission Delivery Service. The execution of this LGIA does not constitute a request for, nor the provision of, any transmission delivery service under Transmission Provider's Tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.

4.5 Interconnection Customer Provided Services. The services provided by Interconnection Customer under this LGIA are set forth in Article 9.6 and Article 13.5.1. Interconnection Customer shall be paid for such services in accordance with Article 11.6.

Article 5. Interconnection Facilities Engineering, Procurement, and Construction

5.1 Options. Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either Standard Option or Alternate Option set forth below, and such dates and selected option shall be set forth in Appendix B, Milestones. At the same time, Interconnection Customer shall indicate whether it elects to exercise the Option to Build set forth in Article 5.1.3 below. If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days. Upon receipt of the notification that Interconnection Customer's designated dates are not acceptable to Transmission Provider, the Interconnection Customer shall notify Transmission Provider within thirty (30) Calendar Days whether it elects to exercise the Option to Build if it has not already elected to exercise the Option to Build.

5.1.1 Standard Option. Transmission Provider shall design, procure, and construct Transmission Provider's Interconnection Facilities and Network Upgrades, using Reasonable Efforts to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the dates set forth in Appendix B, Milestones. Transmission Provider shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event Transmission Provider reasonably expects that it will not be able to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the specified dates, Transmission

Provider shall promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

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5.1.2 Alternate Option. If the dates designated by Interconnection Customer are acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities by the designated dates.

If Transmission Provider subsequently fails to complete Transmission Provider's Interconnection Facilities by the In-Service Date, to the extent necessary to provide back feed power; or fails to complete Network Upgrades by the Initial Synchronization Date to the extent necessary to allow for Trial Operation at full power output, unless other arrangements are made by the Parties for such Trial Operation; or fails to complete the Network Upgrades by the Commercial Operation Date, as such dates are reflected in Appendix B, Milestones; Transmission Provider shall pay Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by Interconnection Customer shall be extended day for day for each day that the applicable RTO or ISO refuses to grant clearances to install equipment.

5.1.3 Option to Build. Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades on the dates specified in Article 5.1.2. Transmission Provider and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A. Except for Stand Alone Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option.

5.1.4 Negotiated Option. If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, the Parties shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates and liquidated damages, the provision of incentives, or the procurement and construction of all facilities other than Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades if the Interconnection Customer elects to exercise the Option to Build under Article 5.1.3). If the Parties are unable to reach agreement on such terms and conditions, then, pursuant to article 5.1.1 (Standard Option), Transmission Provider shall assume responsibility for the design, procurement and construction of all facilities other than Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades if the Interconnection Customer elects to exercise the Option to Build.

5.2 General Conditions Applicable to Option to Build. If Interconnection Customer

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assumes responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades,

(1) Interconnection Customer shall engineer, procure equipment, and construct Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by Transmission Provider;

(2) Interconnection Customer's engineering, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of law to which Transmission Provider would be subject in the engineering, procurement or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(3) Transmission Provider shall review and approve the engineering design, equipment acceptance tests, and the construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(4) prior to commencement of construction, Interconnection Customer shall provide to Transmission Provider a schedule for construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for information from Transmission Provider;

(5) at any time during construction, Transmission Provider shall have the right to gain unrestricted access to Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;

(6) at any time during construction, should any phase of the engineering, equipment procurement, or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by Transmission Provider, Interconnection Customer shall be obligated to remedy deficiencies in that portion of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(7) Interconnection Customer shall indemnify Transmission Provider for claims arising from Interconnection Customer's construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades under the terms and procedures applicable to Article

18.1 Indemnity;

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(8) Interconnection Customer shall transfer control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to Transmission Provider;

(9) Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Transmission Provider's Interconnection Facilities and Stand-Alone Network Upgrades to Transmission Provider;

(10) Transmission Provider shall approve and accept for operation and maintenance Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to the extent engineered, procured, and constructed in accordance with this Article 5.2; and

(11) Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information, and any other documents that are reasonably required by Transmission Provider to assure that the Interconnection Facilities and Stand Alone Network Upgrades are built to the standards and specifications required by Transmission Provider.

(12) If Interconnection Customer exercises the Option to Build pursuant to Article 5.1.3, Interconnection Customer shall pay Transmission Provider an agreed upon amount of [NOT APPLICABLE (customer elected Standard Option)] for Transmission Provider to execute the responsibilities enumerated to Transmission Provider under Article 5.2. Transmission Provider shall invoice Interconnection Customer for this total amount to be divided on a monthly basis pursuant to Article 12.

5.3 Liquidated Damages. The actual damages to Interconnection Customer, in the event Transmission Provider's Interconnection Facilities or Network Upgrades are not completed by the dates designated by Interconnection Customer and accepted by Transmission Provider pursuant to subparagraphs 5.1.2 or 5.1.4, above, may include Interconnection Customer's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of such uncertainty, any liquidated damages paid by Transmission Provider to Interconnection Customer in the event that Transmission Provider does not complete any portion of Transmission Provider's Interconnection Facilities or Network Upgrades by the applicable dates, shall be an amount equal to ½ of 1 percent per day of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades, in the aggregate, for which Transmission Provider has assumed responsibility to design, procure and construct.

However, in no event shall the total liquidated damages exceed 20 percent of the actual cost of Transmission Provider's Interconnection Facilities and Network

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Upgrades for which Transmission Provider has assumed responsibility to design, procure, and construct. The foregoing payments will be made by Transmission Provider to Interconnection Customer as just compensation for the damages caused to Interconnection Customer, which actual damages are uncertain and impossible to determine at this time, and as reasonable liquidated damages, but not as a penalty or a method to secure performance of this LGIA. Liquidated damages, when the Parties agree to them, are the exclusive remedy for the Transmission Provider's failure to meet its schedule.

No liquidated damages shall be paid to Interconnection Customer if: (1) Interconnection Customer is not ready to commence use of Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for the Large Generating Facility's Trial Operation or to export power from the Large Generating Facility on the specified dates, unless Interconnection Customer would have been able to commence use of Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for Large Generating Facility's Trial Operation or to export power from the Large Generating Facility, but for Transmission Provider's delay; (2) Transmission Provider's failure to meet the specified dates is the result of the action or inaction of Interconnection Customer or any other Interconnection Customer who has entered into an LGIA with Transmission Provider or any cause beyond Transmission Provider's reasonable control or reasonable ability to cure; (3) the Interconnection Customer has assumed responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades; or (4) the Parties have otherwise agreed.

5.4 Power System Stabilizers. The Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with the guidelines and procedures established by the Applicable Reliability Council. Transmission Provider reserves the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative. The requirements of this paragraph shall not apply to wind generators.

5.5 Equipment Procurement. If responsibility for construction of Transmission Provider's Interconnection Facilities or Network Upgrades is to be borne by Transmission Provider, then Transmission Provider shall commence design of Transmission Provider's Interconnection Facilities or Network Upgrades and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

5.5.1 Transmission Provider has completed the Facilities Study pursuant to the

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Facilities Study Agreement;

5.5.2 Transmission Provider has received written authorization to proceed with design and procurement from Interconnection Customer by the date specified in Appendix B, Milestones; and

5.5.3 Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.6 Construction Commencement. Transmission Provider shall commence construction of Transmission Provider's Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:

5.6.1 Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;

5.6.2 Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of Transmission Provider's Interconnection Facilities and Network Upgrades;

5.6.3 Transmission Provider has received written authorization to proceed with construction from Interconnection Customer by the date specified in Appendix B, Milestones; and

5.6.4 Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.7 Work Progress. The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, at any time, request a progress report from the other Party. If, at any time, Interconnection Customer determines that the completion of Transmission Provider's Interconnection Facilities will not be required until after the specified In-Service Date, Interconnection Customer will provide written notice to Transmission Provider of such later date upon which the completion of Transmission Provider's Interconnection Facilities will be required.

5.8 Information Exchange. As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with Transmission Provider's Transmission System,

and
shall work diligently and in good faith to make any necessary design changes.

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5.9 Other Interconnection Options

5.9.1. Limited Operation. If any of Transmission Provider's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Large Generating Facility, Transmission Provider shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Large Generating Facility and Interconnection Customer's Interconnection Facilities may operate prior to the completion of Transmission Provider's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA. Transmission Provider shall permit Interconnection Customer to operate the
Interconnection

5.9.2 Provisional Interconnection Service. Upon the request of Interconnection Customer, and prior to completion of requisite Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities Transmission Provider may execute a Provisional Large Generator Interconnection Agreement or Interconnection Customer may request the filing of an unexecuted Provisional Large Generator Interconnection Agreement with the Interconnection Customer for limited Interconnection Service at the discretion of Transmission Provider based upon an evaluation that will consider the results of available studies. Transmission Provider shall determine, through available studies or additional studies as necessary, whether stability, short circuit, thermal, and/or voltage issues would arise if Interconnection Customer interconnects without modifications to the Generating Facility or Transmission System. Transmission Provider shall determine whether any Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities that are necessary to meet the requirements of NERC, or any applicable Regional Entity for the interconnection of a new, modified and/or expanded Generating Facility are in place prior to the commencement of Interconnection Service from the Generating Facility. Where available studies indicate that such, Interconnection Facilities, Network Upgrades, Distribution Upgrades, and/or System Protection Facilities that are required for the interconnection of a new, modified and/or expanded Generating Facility are not currently in place, Transmission Provider will perform a study, at the Interconnection Customer's expense, to confirm the facilities that are

required for Provisional Interconnection Service. The maximum permissible output of the Generating Facility in the Provisional

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Large Generator Interconnection Agreement shall be studied and updated on an annual frequency at the Interconnection Customer's expense. Interconnection Customer assumes all risk and liabilities with respect to changes between the Provisional Large Generator Interconnection Agreement and the Large Generator Interconnection Agreement, including changes in output limits and Interconnection Facilities, Network Upgrades, Distribution Upgrades, and/or System Protection Facilities cost responsibilities.

5.10 Interconnection Customer's Interconnection Facilities ('ICIF'). Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.10.1 Interconnection Customer's Interconnection Facility Specifications. Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Transmission Provider at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. Transmission Provider shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

5.10.2 Transmission Provider's Review. Transmission Provider's review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be required by Transmission Provider, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider.

5.10.3 ICIF Construction. The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information and documents for the ICIF, such as: a one-line diagram, a site plan showing

the Large Generating Facility and the ICIF, plan and elevation drawings showing the layout of the ICIF, a relay functional diagram, relaying AC and

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DC schematic wiring diagrams and relay settings for all facilities associated with Interconnection Customer's step-up transformers, the facilities connecting the Large Generating Facility to the step-up transformers and the ICIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Large Generating Facility. The Interconnection Customer shall provide Transmission Provider specifications for the excitation system, automatic voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

5.11 Transmission Provider's Interconnection Facilities Construction. Transmission Provider's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Transmission Provider shall deliver to Interconnection Customer the following "as-built" drawings, information and documents for Transmission Provider's Interconnection Facilities (include appropriate drawings and relay diagrams).

Transmission Provider will obtain control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities.

5.12 Access Rights. Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish at no cost to the other Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large Generating Facility with the Transmission System; (ii) operate and maintain the Large Generating Facility, the Interconnection Facilities and the Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this LGIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.

5.13 Lands of Other Property Owners. If any part of Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or

Transmission Provider or Transmission Owner, Transmission Provider or Transmission Owner shall at Interconnection Customer's expense use efforts,

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similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades upon such property.

5.14 Permits. Transmission Provider or Transmission Owner and Interconnection Customer shall cooperate with each other in good faith in obtaining all permits, licenses and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. With respect to this paragraph, Transmission Provider or Transmission Owner shall provide permitting assistance to Interconnection Customer comparable to that provided to Transmission Provider's own, or an Affiliate's generation.

5.15 Early Construction of Base Case Facilities. Interconnection Customer may request Transmission Provider to construct, and Transmission Provider shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Network Upgrades required for Interconnection Customer to be interconnected to the Transmission System which are included in the Base Case of the Facilities Study for Interconnection Customer, and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.

5.16 Suspension. Interconnection Customer reserves the right, upon written notice to Transmission Provider, to suspend at any time all work by Transmission Provider associated with the construction and installation of Transmission Provider's Interconnection Facilities and/or Network Upgrades required under this LGIA with the condition that Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Transmission Provider's safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Transmission Provider (i) has incurred pursuant to this LGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Transmission Provider cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Transmission Provider shall obtain Interconnection Customer's authorization to do so.

Transmission Provider shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the

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event Interconnection Customer suspends work by Transmission Provider required under this LGIA pursuant to this Article 5.16, and has not requested Transmission Provider to recommence the work required under this LGIA on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Transmission Provider, if no effective date is specified.

5.17 Taxes.

5.17.1 Interconnection Customer Payments Not Taxable. The Parties intend that all payments or property transfers made by Interconnection Customer to Transmission Provider for the installation of Transmission Provider's Interconnection Facilities and the Network Upgrades shall be non-taxable, either as contributions to capital, or as an advance, in accordance with the Internal Revenue Code and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the Internal Revenue Code and any applicable state income tax laws.

5.17.2 Representations and Covenants. In accordance with IRS Notice 2001-82 and IRS Notice 88-129, Interconnection Customer represents and covenants that (i) ownership of the electricity generated at the Large Generating Facility will pass to another party prior to the transmission of the electricity on the Transmission System, (ii) for income tax purposes, the amount of any payments and the cost of any property transferred to Transmission Provider for Transmission Provider's Interconnection Facilities will be capitalized by Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of Transmission Provider's Interconnection Facilities that is a "dual-use intertie," within the meaning of IRS Notice 88-129, is reasonably expected to carry only a de minimis amount of electricity in the direction of the Large Generating Facility. For this purpose, "de minimis amount" means no more than 5 percent of the total power flows in both directions, calculated in accordance with the "5 percent test" set forth in IRS Notice 88-129. This is not intended to be an exclusive list of the relevant conditions that must be met to conform to IRS requirements for non-taxable treatment.

At Transmission Provider's request, Interconnection Customer shall provide Transmission Provider with a report from an independent

engineer confirming its representation in clause (iii), above. Transmission Provider represents and covenants that the cost of

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Transmission Provider's Interconnection Facilities paid for by Interconnection Customer will have no net effect on the base upon which rates are determined.

5.17.3 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon the Transmission Provider. Notwithstanding Article 5.17.1, Interconnection Customer shall protect, indemnify and hold harmless Transmission Provider from the cost consequences of any current tax liability imposed against Transmission Provider as the result of payments or property transfers made by Interconnection Customer to Transmission Provider under this LGIA for Interconnection Facilities, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Transmission Provider.

Transmission Provider shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection Customer under this LGIA unless (i) Transmission Provider has determined, in good faith, that the payments or property transfers made by Interconnection Customer to Transmission Provider should be reported as income subject to taxation or (ii) any Governmental Authority directs Transmission Provider to report payments or property as income subject to taxation; provided, however, that Transmission Provider may require Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to Transmission Provider (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 5.17. Interconnection Customer shall reimburse Transmission Provider for such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within thirty (30) Calendar Days of receiving written notification from Transmission Provider of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten year testing period and the applicable statute of limitation, as it may be extended by Transmission Provider upon request of the IRS, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 5.17.

5.17.4 Tax Gross-Up Amount. Interconnection Customer's liability for the cost consequences of any current tax liability under this Article 5.17 shall be calculated on a fully grossed-up basis. Except as may otherwise

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be agreed to by the parties, this means that Interconnection Customer will pay Transmission Provider, in addition to the amount paid for the Interconnection Facilities and Network Upgrades, an amount equal to (1) the current taxes imposed on Transmission Provider ("Current Taxes") on the excess of (a) the gross income realized by Transmission Provider as a result of payments or property transfers made by Interconnection Customer to Transmission Provider under this LGIA (without regard to any payments under this Article 5.17) (the "Gross Income Amount") over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the "Present Value Depreciation Amount"), plus (2) an additional amount sufficient to permit Transmission Provider to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1).

For this purpose, (i) Current Taxes shall be computed based on Transmission Provider's composite federal and state tax rates at the
Transmission Provider will be treated as being subject to tax at the highest marginal rates in effect at that time (the "Current Tax Rate"),
computed
by discounting Transmission Provider's anticipated tax depreciation
transfers by
Transmission Provider's current weighted average cost of capital. Thus, the formula for calculating Interconnection Customer's liability to Transmission Owner pursuant to this Article 5.17.4 can be expressed as follows: (Current Tax Rate x (Gross Income Amount - Present Value of Tax Depreciation))/(1Current Tax Rate).
event taxes
are imposed shall be stated in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.17.5 Private Letter Ruling or Change or Clarification of Law. At Interconnection Customer's request and expense, Transmission Provider shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Interconnection Customer to Transmission Provider under this LGIA are subject to federal income taxation. Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in

such request are true and accurate to the best of Interconnection Customer's knowledge. Transmission Provider and Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

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Transmission Provider shall keep Interconnection Customer fully informed of the status of such request for a private letter ruling and shall execute either a privacy act waiver or a limited power of attorney, in a form acceptable to the IRS, that authorizes Interconnection Customer to participate in all discussions with the IRS regarding such request for a private letter ruling. Transmission Provider shall allow Interconnection Customer to attend all meetings with IRS officials about the request and shall permit Interconnection Customer to prepare the initial drafts of any follow-up letters in connection with the request.

5.17.6 Subsequent Taxable Events. If, within 10 years from the date on which the relevant Transmission Provider's Interconnection Facilities are placed in service, (i) Interconnection Customer Breaches the covenants contained in Article 5.17.2, (ii) a "disqualification event" occurs within the meaning of IRS Notice 88-129, or (iii) this LGIA terminates and Transmission Provider retains ownership of the Interconnection Facilities and Network Upgrades, Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on Transmission Provider, calculated using the methodology described in Article 5.17.4 and in accordance with IRS Notice 90-60.

5.17.7 Contests. In the event any Governmental Authority determines that Transmission Provider's receipt of payments or property constitutes income that is subject to taxation, Transmission Provider shall notify Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by Interconnection Customer and at Interconnection Customer's sole expense, Transmission Provider may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Interconnection Customer's written request and sole expense, Transmission Provider may file a claim for refund with respect to any taxes paid under this Article 5.17, whether or not it has received such a determination. Transmission Provider reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but Transmission Provider shall keep Interconnection Customer informed, shall consider in good faith suggestions from Interconnection Customer about the conduct of the contest, and shall reasonably permit Interconnection Customer or an

Interconnection Customer representative to attend contest proceedings.

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Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement or other contest. At any time during the contest, Transmission Provider may agree to a settlement either with Interconnection Customer's consent or after obtaining written advice from nationally-recognized tax counsel, selected by Transmission Provider, but reasonably acceptable to Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation.

Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully grossed-up bases to cover any related cost consequences of the current tax liability. Any settlement without Interconnection Customer's consent or such written advice will relieve Interconnection Customer from any obligation to indemnify Transmission Provider for the tax at issue in the contest.

5.17.8 Refund. In the event that (a) a private letter ruling is issued to Transmission Provider which holds that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Provider under the terms of this LGIA is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Transmission Provider in good faith that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Provider under the terms of this LGIA is not taxable to Transmission Provider, (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by Interconnection Customer to Transmission Provider are not subject to federal income tax, or (d) if Transmission Provider receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by Interconnection Customer to Transmission Provider pursuant to this LGIA, Transmission Provider shall promptly refund to Interconnection Customer the following:

(i) any payment made by Interconnection Customer under this Article 5.17 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon,

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(ii) interest on any amounts paid by Interconnection Customer to Transmission Provider for such taxes which Transmission Provider did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC's regulations at 18 CFR §35.19a(a)(2)(iii) from the date payment was made by Interconnection Customer to the date Transmission Provider refunds such payment to Interconnection Customer, and

(iii) with respect to any such taxes paid by Transmission Provider, any refund or credit Transmission Provider receives
Governmental
Authority, interest (or that portion thereof attributable to the
Transmission
Provider for such overpayment of taxes (including any reduction in interest otherwise payable by Transmission Provider to any Governmental Authority resulting from an
Transmission
to Interconnection
Customer only after and to the extent that Transmission Provider has received a tax refund, credit or offset from any
overpayment of
income tax related to Transmission Provider's Interconnection Facilities.

The intent of this provision is to leave the Parties, to the extent practicable, in the event that no taxes are due with respect to any payment for Interconnection Facilities and Network Upgrades hereunder, in the same position they would have been in had no such tax payments been made.

5.17.9 Taxes Other Than Income Taxes. Upon the timely request by Interconnection Customer, and at Interconnection Customer's sole expense, Transmission Provider may appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Transmission Provider for which Interconnection Customer may be required to reimburse Transmission Provider under the terms of this LGIA. Interconnection Customer shall pay to Transmission Provider on a

periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Interconnection Customer and Transmission Provider shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite

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to an appeal or abatement or cannot be deferred, no amount shall be payable by Interconnection Customer to Transmission Provider for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Transmission Provider.

5.17.10 Transmission Owners Who Are Not Transmission Providers. If Transmission Provider is not the same entity as the Transmission Owner, then (i) all references in this Article 5.17 to Transmission Provider shall be deemed also to refer to and to include the Transmission Owner, as appropriate, and (ii) this LGIA shall not become effective until such Transmission Owner shall have agreed in writing to assume all of the duties and obligations of Transmission Provider under this Article 5.17 of this LGIA.

5.18 Tax Status. Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this LGIA is intended to adversely affect any Transmission Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds.

5.19 Modification.

5.19.1 General. Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide to the other Party sufficient information regarding such modification so that the other Party may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Large Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

In the case of Large Generating Facility modifications that do not require Interconnection Customer to submit an Interconnection

Request, Transmission Provider shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an

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estimate of any additional modifications to the Transmission System, Transmission Provider's Interconnection Facilities or Network Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

5.19.2 Standards. Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this LGIA and Good Utility Practice.

5.19.3 Modification Costs. Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that Transmission Provider makes to Transmission Provider's Interconnection Facilities or the Transmission System to facilitate the interconnection of a third party to Transmission Provider's Interconnection Facilities or the Transmission System, or to provide transmission service to a third party under Transmission Provider's Tariff. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to Interconnection Customer's Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer's Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

Article 6. Testing and Inspection

6.1 Pre-Commercial Operation Date Testing and Modifications. Prior to the Commercial Operation Date, Transmission Provider shall test Transmission Provider's Interconnection Facilities and Network Upgrades and Interconnection Customer shall test the Large Generating Facility and Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection Customer shall generate test energy at the Large Generating Facility only if it has arranged for the delivery of such test energy.

6.2 Post-Commercial Operation Date Testing and Modifications. Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Large Generating Facility with the Transmission System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the

other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.

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6.3 Right to Observe Testing. Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.

6.4 Right to Inspect. Each Party shall have the right, but shall have no obligation to: (i) observe the other Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; (ii) review the settings of the other Party's System Protection Facilities and other protective equipment; and (iii) review the other Party's maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be deemed to be Confidential Information and treated pursuant to Article 22 of this LGIA.

Article 7. Metering

7.1 General. Each Party shall comply with the Applicable Reliability Council requirements. Unless otherwise agreed by the Parties, Transmission Provider shall install Metering Equipment at the Point of Interconnection prior to any operation of the Large Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Large Generating Facility shall be measured at or, at Transmission Provider's option, compensated to, the Point of Interconnection. Transmission Provider shall provide metering quantities, in analog and/or digital form, to Interconnection Customer upon request. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.

7.2 Interconnection Customer Meters. Interconnection Customer, at its expense, shall install and operate, on its premises and on its side of the Point of Interconnection, revenue quality Metering Equipment to measure the combined power flows from the two Large Generating Facilities (SS50S and SS100S), as identified in Appendix C. Such meter(s) shall be for Interconnection Customer's purposes primarily and shall not be used for the measurement of power flows for purposes of this LGIA, except as provided in Article 7.4 below and in Appendix A. The meters shall be subject at all reasonable times to inspection and

examination by Transmission Provider or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer

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in accordance with Good Utility Practice.

7.3 Standards. Transmission Provider shall install, calibrate, and test revenue quality Metering Equipment (on its side of the Point of Interconnection) in accordance with applicable ANSI standards. Interconnection Customer shall install, calibrate, and test its revenue quality Metering Equipment (on its side of the Point of Interconnection) in accordance with applicable ANSI standards.

7.4 Testing of Metering Equipment. Transmission Provider shall inspect and test all Transmission Provider-owned Metering Equipment upon installation and at least once every two (2) years thereafter. If requested to do so by Interconnection Customer, Transmission Provider shall, at Interconnection Customer's expense, inspect or test Metering Equipment more frequently than every two (2) years. Transmission Provider shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer's expense, in order to provide accurate metering, unless the inaccuracy or defect is due to Transmission Provider's failure to maintain, then Transmission Provider shall pay. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than two percent from the measurement made by the standard meter used in the test, Transmission Provider shall adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using Interconnection Customer's meters. If the period cannot be reasonably ascertained, the adjustment shall be for the period immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last previous test of the Metering Equipment.

7.5 Metering Data. At Interconnection Customer's expense, the metered data from the Transmission Provider's Metering Equipment shall be telemetered to one or more locations designated by Transmission Provider and one or more locations designated by Interconnection Customer. Such telemetered data shall be used, under normal operating conditions, as the official measurement of the amount of combined energy delivered from the two Large Generating Facilities to the Point of Interconnection.

Article 8. Communications

8.1 Interconnection Customer Obligations. Interconnection Customer shall maintain satisfactory operating communications with Transmission Provider's Transmission System dispatcher or representative designated by Transmission Provider. Interconnection Customer shall provide standard voice line, dedicated

voice line and facsimile communications at its Large Generating Facility control room or central dispatch facility through use of either the public telephone system,

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or a voice communications system that does not rely on the public telephone system. Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to Transmission Provider as set forth in Appendix D, Security Arrangements Details. The data circuit(s) shall extend from the Large Generating Facility to the location(s) specified by Transmission Provider. Any required maintenance of such communications equipment shall be performed by Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.

8.2 Remote Terminal Unit. Prior to the Initial Synchronization Date of the Large Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by Transmission Provider at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Transmission Provider through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The communication protocol for the data circuit(s) shall be specified by Transmission Provider. Instantaneous bi-directional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by Transmission Provider.

Each Party will promptly advise the other Party if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.

8.3 No Annexation. Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.

8.4 Provision of Data from a Variable Energy Resource. The Interconnection Customer whose Generating Facility is a Variable Energy Resource shall provide meteorological and forced outage data to the Transmission Provider to the extent necessary for the Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The Interconnection Customer with a Variable Energy Resource having wind as the energy source, at a minimum, will be required to provide the Transmission Provider with site-specific meteorological data including: temperature, wind speed, wind direction, and atmospheric pressure. The Interconnection Customer with a Variable Energy Resource having solar as the energy source, at a minimum,
specific meteorological data including: temperature, atmospheric pressure, and

irradiance.
The Transmission Provider and Interconnection Customer whose Generating

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Facility is a Variable Energy Resource shall mutually agree to any additional meteorological data that are required for the development and deployment of a
Generating
the Transmission
Provider regarding all forced outages to the extent necessary for the Transmission
forecasts for that
class of Variable Energy Resources. The exact specifications of the meteorological and forced outage data to be provided by the Interconnection Customer to the Transmission Provider, including the frequency and timing of
configuration of the
Variable Energy Resource, its characteristics, location, and its importance in maintaining generation resource adequacy and transmission system reliability in
data must be
commensurate with the power production forecasting employed by the Transmission Provider. Such requirements for meteorological and forced outage
LGIA, as they
may change from time to time.

Article 9. Operations

9.1 **General**. Each Party shall comply with the Applicable Reliability Council requirements. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

9.2 **Control Area Notification**. At least three months before Initial Synchronization Date, Interconnection Customer shall notify Transmission Provider in writing of the Control Area in which the Large Generating Facility will be located. If Interconnection Customer elects to locate the Large Generating Facility in a Control Area other than the Control Area in which the Large Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this LGIA, and remote Control Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the other Control Area.

9.3 **Transmission Provider Obligations**. Transmission Provider shall cause the Transmission System and Transmission Provider's Interconnection Facilities to be

operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA. Transmission Provider may provide operating instructions to Interconnection Customer consistent with this LGIA and Transmission Provider's operating protocols and procedures as they may change from time to time.

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9.4 Interconnection Customer Obligations. Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA. Interconnection Customer shall operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Control Area of which it is part, as such requirements are set forth in Appendix C, Interconnection Details, of this LGIA. Appendix C, Interconnection Details, will be modified to reflect changes to the requirements as they may change from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this LGIA.

9.5 Start-Up and Synchronization. Consistent with the Parties' mutually acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Large Generating Facility to Transmission Provider's Transmission System.

9.6 Reactive Power and Primary Frequency Response.

9.6.1 Power Factor Design Criteria.

9.6.1.1 Synchronous Generation. Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established different requirements that apply to all generators in the Control Area on a comparable basis.

9.6.1.2 Non-Synchronous Generation. Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established a different power factor range that applies to all non-synchronous generators in the Control Area on a comparable basis. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors, or a combination of the two. This requirement shall only apply to newly interconnecting non-synchronous generators that have not yet executed a Facilities Study Agreement as of the effective date of the Final Rule

establishing this requirement (Order No. 827).

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9.6.2 Voltage Schedules. Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Transmission Provider shall require Interconnection Customer to operate the Large Generating Facility to produce or absorb reactive power within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). Transmission Provider's voltage schedules shall treat all sources of reactive power in the Control Area in an equitable and not unduly discriminatory manner. Transmission Provider shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one (1) day in advance, and may make changes to such schedules as necessary to maintain the reliability of the Transmission System. Interconnection Customer shall operate the Large Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the System Operator.

9.6.2.1 Voltage Regulators. Whenever the Large Generating Facility is operated in parallel with the Transmission System and voltage regulators are capable of operation, Interconnection Customer shall operate the Large Generating Facility with its voltage regulators in automatic operation. If the Large Generating Facility's voltage regulators are not capable of such automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative, and ensure that such Large Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Large Generating Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the Transmission System or trip any generating unit comprising the Large Generating Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators in the Control Area on a comparable basis.

9.6.3 Payment for Reactive Power. Transmission Provider is required to pay Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Large Generating Facility when Transmission

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Provider requests Interconnection Customer to operate its Large Generating Facility outside the range specified in Article 9.6.1, provided that if Transmission Provider pays its own or affiliated generators for reactive power service within the specified range, it must also pay Interconnection Customer. Payments shall be pursuant to Article 11.6 or such other agreement to which the Parties have otherwise agreed.

9.6.4 Primary Frequency Response. Interconnection Customer shall ensure the primary frequency response capability of its Large Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term "functioning governor or equivalent controls" as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Large Generating Facility's real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop and ±0.036 Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from an approved NERC Reliability Standard providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Large Generating Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Large Generating Facility's real power output in response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected change in the Large Generating Facility's real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify Transmission Provider that the primary frequency response capability of the Large Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Interconnection Customer shall operate the Large Generating Facility consistent with the provisions specified in Sections 9.6.4.1 and 9.6.4.2 of

this Agreement. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Large

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Generating Facilities.

9.6.4.1 **Governor or Equivalent Controls.** Whenever the Large Generating Facility is operated in parallel with the Transmission System, Interconnection Customer shall operate the Large Generating Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall: (1) in coordination with Transmission Provider and/or the relevant balancing authority, set the deadband parameter to: (1) a maximum of ±0.036 Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop and deadband settings from an approved NERC Reliability Standard that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to Transmission Provider and/or the relevant balancing authority upon request. If Interconnection Customer needs to operate the Large Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify Transmission Provider and the relevant balancing authority, and provide both with the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to keep outages of the Large Generating Facility's governor or equivalent controls to a minimum whenever the Large Generating Facility is operated in parallel with the Transmission System.

9.6.4.2 **Timely and Sustained Response.** Interconnection Customer shall ensure that the Large Generating Facility's real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Large Generating Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection Customer shall not block or

otherwise inhibit the ability of the governor or equivalent

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controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Large Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. A Commission-approved Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

9.6.4.3 **Exemptions**. Large Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Sections 9.6.4, 9.6.4.1, and 9.6.4.2 of this Agreement. Large Generating Facilities that are behind the meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in Section 9.6.4, but shall be otherwise exempt from the operating requirements in Sections 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.4 of this Agreement.

9.6.4.4 **Electric Storage Resources**. Interconnection Customer interconnecting an electric storage resource shall establish an operating range in Appendix C of its LGIA that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Sections 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.3 of this Agreement. Appendix C shall specify whether the operating range is static or dynamic, and shall consider (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric

storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by Transmission Provider

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and Interconnection Customer, and in consultation with the relevant transmission owner or balancing authority as appropriate. If the operating range is dynamic, then Appendix C must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with Section 9.6.4.2 of this Agreement when it is online and dispatched to inject electricity to the Transmission System and/or receive electricity from the Transmission System. This excludes circumstances when the electric storage resource is not dispatched to inject electricity to the Transmission System and/or dispatched to receive electricity from the Transmission System. If Interconnection Customer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Interconnection Customer's electric storage resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

9.7 Outages and Interruptions.

9.7.1 Outages.

9.7.1.1 Outage Authority and Coordination. Each Party may in accordance with Good Utility Practice in coordination with the other Party remove from service any of its respective Interconnection Facilities or Network Upgrades that may impact the other Party's facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service will use Reasonable Efforts to schedule such removal on a date and time mutually acceptable to the Parties. In all circumstances, any Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Party of such removal.

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9.7.1.2 Outage Schedules. Transmission Provider shall post scheduled outages of its transmission facilities on the OASIS. Interconnection Customer shall submit its planned maintenance schedules for the Large Generating Facility to Transmission Provider for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its planned maintenance schedules as necessary. Transmission Provider may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the Transmission System; provided, however, adequacy of generation supply shall not be a criterion in determining Transmission System reliability. Transmission Provider shall compensate Interconnection Customer for any additional direct costs that Interconnection Customer incurs as a result of having to reschedule maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent Transmission Provider's request to reschedule maintenance. Interconnection Customer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, Interconnection Customer had modified its schedule of maintenance activities.

9.7.1.3 Outage Restoration. If an outage on a Party's Interconnection Facilities or Network Upgrades adversely affects the other Party's operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, to the extent such information is known, information on the nature of the Emergency Condition, an estimated time of restoration, and any corrective actions required. Initial verbal notice shall be followed up as soon as practicable with written notice explaining the nature of the outage.

9.7.2 Interruption of Service. If required by Good Utility Practice to do so, Transmission Provider may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect Transmission Provider's ability to perform such activities as are necessary to safely and reliably operate and maintain the

Transmission System. The following provisions shall apply to any interruption or reduction permitted under this Article 9.7.2:

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9.7.2.1 The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice;

9.7.2.2 Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all generating facilities directly connected to the Transmission System;

9.7.2.3 When the interruption or reduction must be made under circumstances which do not allow for advance notice, Transmission Provider shall notify Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written notification as soon as practicable;

9.7.2.4 Except during the existence of an Emergency Condition, when the interruption or reduction can be scheduled without advance notice, Transmission Provider shall notify Interconnection Customer in advance regarding the timing of such scheduling and further notify Interconnection Customer of the expected duration. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to Interconnection Customer and Transmission Provider;

9.7.2.5 The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Large Generating Facility, Interconnection Facilities, and the Transmission System to their normal operating state, consistent with system conditions and Good Utility Practice.

9.7.3 Under-Frequency and Over Frequency Conditions. The Transmission System is designed to automatically activate a load-shed program as required by the Applicable Reliability Council in the event of an under-frequency system disturbance. Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Large Generating Facility as required by the Applicable Reliability Council to ensure "ride through" capability of the Transmission System. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be

studied and coordinated with Transmission Provider in accordance with Good Utility Practice. The term "ride through" as used herein shall mean

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the ability of a Generating Facility to stay connected to and synchronized with the Transmission System during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice.

9.7.4 System Protection and Other Control Requirements.

9.7.4.1 **System Protection Facilities**. Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider shall install at Interconnection Customer's expense any System Protection Facilities that may be required on Transmission Provider's Interconnection Facilities or the Transmission System as a result of the interconnection of the Large Generating Facility and Interconnection Customer's Interconnection Facilities.

9.7.4.2 Each Party's protection facilities shall be designed and coordinated with other systems in accordance with Good Utility Practice.

9.7.4.3 Each Party shall be responsible for protection of its facilities consistent with Good Utility Practice.

9.7.4.4 Each Party's protective relay design shall incorporate the necessary test switches to perform the tests required in Article 6. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of Interconnection Customer's units.

9.7.4.5 Each Party will test, operate and maintain System Protection Facilities in accordance with Good Utility Practice.

9.7.4.6 Prior to the In-Service Date, and again prior to the Commercial Operation Date, each Party or its agent shall perform a complete calibration test and functional trip test of the System Protection Facilities. At intervals suggested by Good Utility Practice and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its System

Protection Facilities. These tests do not require the tripping of any in-service generation unit. These tests do, however,

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require that all protective relays and lockout contacts be activated.

9.7.5 Requirements for Protection. In compliance with Good Utility Practice, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the Transmission System not otherwise isolated by Transmission Provider's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Transmission System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Large Generating Facility and the Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Large Generating Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and Interconnection Customer's other equipment
affect the Large
Generating Facility.

9.7.6 Power Quality. Neither Party's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard. In the event of a conflict between ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, ANSI Standard C84.1-1989, or the applicable superseding electric industry standard, shall control.

9.8 Switching and Tagging Rules. Each Party shall provide the other Party a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

9.9 Use of Interconnection Facilities by Third Parties.

9.9.1 Purpose of Interconnection Facilities. Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities under this Agreement shall be

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constructed for the sole purpose of interconnecting the two Large Generating Facilities to the Transmission System. Further, the Parties have agreed that Generating Facility SS50S and SS100S will share the Interconnection Facilities and a single Point of Interconnection.

9.9.2 Third Party Users. If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use Transmission Provider's Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to FERC for resolution.

9.10 Disturbance Analysis Data Exchange. The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or Transmission Provider's Transmission System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.

Article 10. Maintenance

10.1 Transmission Provider Obligations. Transmission Provider shall maintain the Transmission System and Transmission Provider's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.2 Interconnection Customer Obligations. Interconnection Customer shall maintain the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.3 Coordination. The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Large Generating Facility and the Interconnection Facilities.

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10.4 Secondary Systems. Each Party shall cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

10.5 Operating and Maintenance Expenses. Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of Transmission Provider's Interconnection Facilities.

Article 11. Performance Obligation

11.1 Interconnection Customer Interconnection Facilities. Interconnection Customer shall design, procure, construct, install, own and/or control Interconnection Customer Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at its sole expense.

11.2 Transmission Provider's Interconnection Facilities. Transmission Provider or Transmission Owner shall design, procure, construct, install, own and/or control the Transmission Provider's Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at the sole expense of the Interconnection Customer.

11.3 Network Upgrades and Distribution Upgrades. Transmission Provider or Transmission Owner shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades. The Interconnection Customer shall be responsible for all costs related to Distribution Upgrades. Unless Transmission Provider or Transmission Owner elects to fund the capital for the Network Upgrades, they shall be solely funded by Interconnection Customer.

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11.4 Transmission Credits.

11.4.1 Repayment of Amounts Advanced for Network Upgrades.

Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to Transmission Provider and Affected System Operator, if any, for the Network Upgrades, including any tax gross-up or other tax-related payments associated with Network Upgrades, and not refunded to Interconnection Customer pursuant to Article 5.17.8 or otherwise, to be paid to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under Transmission Provider's Tariff and Affected System's Tariff for transmission services with respect to the Large Generating Facility. Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. Interconnection Customer may assign such repayment rights to any person.

Notwithstanding the foregoing, Interconnection Customer, Transmission Provider, and Affected System Operator may adopt any alternative payment schedule that is mutually agreeable so long as Transmission Provider and Affected System Operator take one of the following actions no later than five years from the Commercial Operation Date: (1) return to Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that Transmission Provider or Affected System Operator will continue to provide payments to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the Commercial Operation Date.

If the Large Generating Facility fails to achieve commercial operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, Transmission Provider and Affected System Operator shall at that time reimburse Interconnection Customer for the amounts advanced for the Network Upgrades. Before any such reimbursement can occur, the

Interconnection Customer, or the entity that ultimately constructs the Generating Facility, if different, is responsible for identifying the

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entity to which reimbursement must be made.

11.4.2 Special Provisions for Affected Systems. Unless Transmission Provider provides, under the LGIA, for the repayment of amounts advanced to Affected System Operator for Network Upgrades, Interconnection Customer and Affected System Operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by Interconnection Customer to the Affected System Operator as well as the repayment by the Affected System Operator.

11.4.3 Notwithstanding any other provision of this LGIA, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that Interconnection Customer, shall be entitled to, now or in the future under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Large Generating Facility.

11.5 Provision of Security. At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, Interconnection Customer shall provide Transmission Provider, at Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Transmission Provider and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to Transmission Provider for these purposes.

In addition:

11.5.1 The guarantee must be made by an entity that meets the creditworthiness requirements of Transmission Provider, and contain terms and conditions that guarantee payment of any amount that may be due from Interconnection Customer, up to an agreed-to maximum amount.

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11.5.2 The letter of credit must be issued by a financial institution reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

11.5.3 The surety bond must be issued by an insurer reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

11.6 Interconnection Customer Compensation. If Transmission Provider requests or directs Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for Reactive Power), or 13.5.1 of this LGIA, Transmission Provider shall compensate Interconnection Customer in accordance with Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to an RTO or ISO FERC-approved rate schedule. Interconnection Customer shall serve Transmission Provider or RTO or ISO with any filing of a proposed rate schedule at the time of such filing with FERC. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb any Reactive Power under this LGIA, Transmission Provider agrees to compensate Interconnection Customer in such amount as would have been due Interconnection Customer had the rate schedule been in effect at the time service commenced; provided, however, that such rate schedule must be filed at FERC or other appropriate Governmental Authority within sixty (60) Calendar Days of the commencement of service.

11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition. Transmission Provider or RTO or ISO shall compensate Interconnection Customer for its provision of real and reactive power and other Emergency Condition services that Interconnection Customer provides to support the Transmission System during an Emergency Condition in accordance with Article 11.6.

Article 12. Invoice

12.1 General. Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this LGIA, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

12.2 Final Invoice. Within six months after completion of the construction of

Transmission Provider's Interconnection Facilities and the Network Upgrades,

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Transmission Provider shall provide an invoice of the final cost of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Transmission Provider shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

12.3 Payment. Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by either Party will not constitute a waiver of any rights or claims either Party may have under this LGIA.

12.4 Disputes. In the event of a billing dispute between Transmission Provider and Interconnection Customer, Transmission Provider shall continue to provide Interconnection Service under this LGIA as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Transmission Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then Transmission Provider may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accord with the methodology set forth in FERC's regulations at 18 CFR § 35.19a(a)(2)(iii).

Article 13. Emergencies

13.1 Definition. "Emergency Condition" shall mean a condition or situation: (i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (ii) that, in the case of Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (iii) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-

discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Large Generating Facility or Interconnection Customer's

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Interconnection Facilities' System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by this LGIA to possess black start capability.

13.2 Obligations. Each Party shall comply with the Emergency Condition procedures of the applicable ISO/RTO, NERC, the Applicable Reliability Council, Applicable Laws and Regulations, and any emergency procedures agreed to by the Joint Operating Committee.

13.3 Notice. Transmission Provider shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects Transmission Provider's Interconnection Facilities or the Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Transmission Provider promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the Transmission System or Transmission Provider's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer's or Transmission Provider's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.

13.4 Immediate Action. Unless, in Interconnection Customer's reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Transmission Provider, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Large Generating Facility or Interconnection Customer's Interconnection Facilities in response to an Emergency Condition either declared by Transmission Provider or otherwise regarding the Transmission System.

13.5 Transmission Provider Authority.

13.5.1 General. Transmission Provider may take whatever actions or inactions with regard to the Transmission System or Transmission Provider's Interconnection Facilities it deems necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Transmission System or Transmission Provider's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

Transmission Provider shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility

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or Interconnection Customer's Interconnection Facilities. Transmission Provider may, on the basis of technical considerations, require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, startup, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing Interconnection Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of Transmission Provider's operating instructions concerning Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

13.5.2 Reduction and Disconnection. Transmission Provider may reduce Interconnection Service or disconnect the Large Generating Facility or Interconnection Customer's Interconnection Facilities, when such, reduction or disconnection is necessary under Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from any right of curtailment of Transmission Provider pursuant to Transmission Provider's Tariff. When Transmission Provider can schedule the reduction or disconnection in advance, Transmission Provider shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and Transmission Provider. Any reduction or disconnection shall continue only for so long as reasonably necessary under Good Utility Practice. The Parties shall cooperate with each other to restore the Large Generating Facility, the Interconnection Facilities, and the Transmission System to their normal operating state as soon as practicable consistent with Good Utility Practice.

13.6 Interconnection Customer Authority. Consistent with Good Utility Practice and the LGIA and the LGIP, Interconnection Customer may take actions or inactions with regard to the Large Generating Facility or Interconnection Customer's

Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Large Generating

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Facility or Interconnection Customer's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Transmission System and Transmission Provider's Interconnection Facilities. Transmission Provider shall use Reasonable Efforts to assist Interconnection Customer in such actions.

13.7 Limited Liability. Except as otherwise provided in Article 11.6.1 of this LGIA, neither Party shall be liable to the other for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.

Article 14. Regulatory Requirements and Governing Law

14.1 Regulatory Requirements. Each Party's obligations under this LGIA shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this LGIA shall require Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act, the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978.

14.2 Governing Law.

14.2.1 The validity, interpretation and performance of this LGIA and each of its provisions shall be governed by the laws of the state where the Point of Interconnection is located, without regard to its conflicts of law principles.

14.2.2 This LGIA is subject to all Applicable Laws and Regulations.

14.3.3 Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

Article 15. Notices.

15.1 General. Unless otherwise provided in this LGIA, any notice, demand or request required or permitted to be given by either Party to the other and any instrument

required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or

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delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.

Either Party may change the notice information in this LGIA by giving five (5) Business Days written notice prior to the effective date of the change.

15.2 Billings and Payments. Billings and payments shall be sent to the addresses set out in Appendix F.

15.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F.

15.4 Operations and Maintenance Notice. Each Party shall notify the other Party in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10.

Article 16. Force Majeure

16.1 Force Majeure.

16.1.1 Economic hardship is not considered a Force Majeure event.

16.1.2 Neither Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory

to it in order to settle and terminate a strike or other labor disturbance.

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Article 17. Default

17.1 Default

17.1 General. No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this LGIA or the result of an act of omission of the other Party. Upon a Breach, the non-breaching Party shall give written notice of such Breach to the breaching Party. Except as provided in Article 17.1.2, the breaching Party shall have thirty (30) Calendar Days from receipt of the Default notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

17.2 Right to Terminate. If a Breach is not cured as provided in this article, or if a Breach is not capable of being cured within the period provided for herein, the non-breaching Party shall have the right to declare a Default and terminate this LGIA by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this LGIA, to recover from the breaching 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 article will survive termination of this LGIA.

Article 18. Indemnity, Consequential Damages and Insurance

18.1 Indemnity. The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under this LGIA on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

18.1.1 Indemnified Person. If an Indemnified Person is entitled to indemnification under this Article 18 as a result of a claim by a third

party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 18.1, to assume the defense of

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such claim, such Indemnified Person may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

18.1.2 Indemnifying Party. If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Article 18, the amount owing to the Indemnified Person shall be the amount of such Indemnified Person's actual Loss, net of any insurance or other recovery.

18.1.3 Indemnity Procedures. Promptly after receipt by an Indemnified Person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Article 18.1 may apply, the Indemnified Person shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.

The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Person. If the defendants in any such action include one or more Indemnified Persons and the Indemnifying Party and if the Indemnified Person reasonably concludes that there may be legal defenses available to it and/or other Indemnified Persons which are different from or additional to those available to the Indemnifying Party, the Indemnified Person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Person or Indemnified Persons having such differing or additional legal defenses.

The Indemnified Person shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit
Indemnified Person and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Person, or there exists a conflict or adversity of interest between the Indemnified Person and the Indemnifying Party, in

such
event the Indemnifying Party shall pay the reasonable expenses of

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the Indemnified Person, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Person, which shall not be reasonably withheld, conditioned or delayed.

18.2 Consequential Damages. Other than the Liquidated Damages heretofore described, in no event shall either Party be liable under any provision of this LGIA 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.

18.3 Insurance. Each party shall, at its own expense, maintain in force throughout the period of this LGIA, and until released by the other Party, the following minimum insurance coverages, with insurers authorized to do business in the state where the Point of Interconnection is located:

18.3.1 Employers' Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the state in which the Point of Interconnection is located.

18.3.2 Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of One Million Dollars ($1,000,000) per occurrence/One Million Dollars ($1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.

18.3.3 Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars ($1,000,000) per occurrence for bodily injury, including death, and property damage.

18.3.4 Excess Public Liability Insurance over and above the Employers' Liability

Commercial General Liability and Comprehensive Automobile

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Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars ($20,000,000) per occurrence/Twenty Million Dollars ($20,000,000) aggregate.

18.3.5 The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Public Liability Insurance policies shall name the other Party, its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this LGIA against the Other Party Group and provide thirty (30) Calendar Days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.

18.3.6 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.

18.3.7 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this LGIA, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.

18.3.8 The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this LGIA.

18.3.9 Within ten (10) days following execution of this LGIA, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days thereafter, each Party shall provide certification of all insurance required in this LGIA, executed by each insurer or by an authorized representative of each insurer.

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18.3.10 Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.8 to the extent it maintains a self-insurance program; provided that, such Party's senior secured debt is rated at investment grade or better by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.8. For any period of time that a Party's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Articles 18.3.2 through 18.3.9. In the event that a Party is permitted to self-insure pursuant to this article, it shall notify the other Party that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 18.3.9.

18.3.11 The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this LGIA.

Article 19. Assignment

19.1 Assignment. This LGIA may be assigned by either Party only with the written consent of the other; provided that either Party may assign this LGIA without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this LGIA; and provided further that Interconnection Customer shall have the right to assign this LGIA, without the consent of Transmission Provider, for collateral security purposes to aid in providing financing for the Large Generating Facility, provided that Interconnection Customer will promptly notify Transmission Provider of any such assignment. Any financing arrangement entered into by Interconnection Customer pursuant to this article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify Transmission Provider of the date and particulars of any such exercise of assignment right(s), including providing the Transmission Provider with proof that it meets the requirements of Articles 11.5 and 18.3. Any attempted assignment that violates this article is void and ineffective. Any assignment under this LGIA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

Article 20. Severability

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20.1 Severability. If any provision in this LGIA is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this LGIA; provided that if Interconnection Customer (or any third party, but only if such third party is not acting at the direction of Transmission Provider) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

Article 21. Comparability

21.1 Comparability. The Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

Article 22. Confidentiality

22.1 Confidentiality. Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of this LGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Article 22 warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

The release of Confidential Information shall be subject to Applicable Laws and Regulations and Applicable Reliability Standards.

22.1.1 Term. During the term of this LGIA, and for a period of three (3) years after the expiration or termination of this LGIA, except as otherwise provided in this Article 22, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

22.1.2 Scope. Confidential Information shall not include information that

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the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this LGIA; or (6) is required, in accordance with Article 22.1.7 of the LGIA, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

22.1.3 Release of Confidential Information. Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this LGIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to
foregoing,
any person
shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.

22.1.4 Rights. Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

22.1.5 No Warranties. By providing Confidential Information, neither

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Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

22.1.6 Standard of Care. Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this LGIA or its regulatory requirements.

22.1.7 Order of Disclosure. If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

22.1.8 Termination of Agreement. Upon termination of this LGIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.

22.1.9 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 22. Each Party

accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first

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Party Breaches or threatens to Breach its obligations under this Article 22, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.

22.1.10 **Disclosure to FERC, its Staff, or a State**. Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this LGIA, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this LGIA prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

22.1.11 Subject to the exception in Article 22.1.10, any information that a Party claims is competitively sensitive, commercial or financial information under this LGIA ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to

the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed

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in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIA or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

Article 23. Environmental Releases

23.1 Each Party shall notify the other Party, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Large Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

Article 24. Information Requirements

24.1 Information Acquisition. Transmission Provider and Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.

24.2 Information Submission by Transmission Provider. The initial information submission by Transmission Provider shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include Transmission System information necessary to allow Interconnection Customer to select

equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis Transmission Provider

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shall provide Interconnection Customer a status report on the construction and installation of Transmission Provider's Interconnection Facilities and Network Upgrades, including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

24.3 Updated Information Submission by Interconnection Customer. The updated information submission by Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. Interconnection Customer shall submit a completed copy of the Large Generating Facility data requirements contained in Appendix 1 to the LGIP. It shall also include any additional information provided to Transmission Provider for the Feasibility and Facilities Study. Information in this submission shall be the most current Large Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Transmission Provider standard models. If there is no compatible model, Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If Interconnection Customer's data is materially different from what was originally provided to Transmission Provider pursuant to the Interconnection Study Agreement between Transmission Provider and Interconnection Customer, then Transmission Provider will conduct appropriate studies to determine the impact on Transmission Provider Transmission System based on the actual data submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed.

24.4 Information Supplementation. Prior to the Operation Date, the Parties shall supplement their information submissions described above in this Article 24 with any and all "as-built" Large Generating Facility information or "as-tested" performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. The Interconnection Customer shall conduct tests on the Large Generating Facility as required by Good Utility Practice such as an open circuit "step voltage" test on the Large Generating Facility to verify proper operation of the Large Generating Facility's automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Large Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Large Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Interconnection Customer shall provide validated test recordings showing the responses of Large Generating Facility terminal and field voltages. In the event

that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Large Generating Facility's terminal or

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field voltage are acceptable if information necessary to translate these alternate quantities to actual Large Generating Facility terminal or field voltages is provided. Large Generating Facility testing shall be conducted and results provided to Transmission Provider for each individual generating unit in a station. Subsequent to the Operation Date, Interconnection Customer shall provide Transmission Provider any information changes due to equipment replacement, repair, or adjustment. Transmission Provider shall provide Interconnection Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Transmission Provider-owned substation that may affect Interconnection Customer's Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information no later than thirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment.

Article 25. Information Access and Audit Rights

25.1 Information Access. Each Party (the "disclosing Party") shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this LGIA; and (ii) carry out its obligations and responsibilities under this LGIA. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this LGIA.

25.2 Reporting of Non-Force Majeure Events. Each Party (the "notifying Party") shall notify the other Party when the notifying Party becomes aware of its inability to comply with the provisions of this LGIA for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this LGIA.

25.3 Audit Rights. Subject to the requirements of confidentiality under Article 22 of this LGIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either Party's performance or either Party's satisfaction of obligations under this LGIA. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, Transmission Provider's efforts to allocate responsibility for the provision of reactive support to the Transmission System, Transmission Provider's efforts to allocate

responsibility for interruption or reduction of generation on the Transmission System, and each Party's actions in an Emergency Condition. Any audit

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authorized by this article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party's performance and satisfaction of obligations under this LGIA. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.

25.4 Audit Rights Periods.

25.4.1 Audit Rights Period for Construction-Related Accounts and Records. Accounts and records related to the design, engineering, procurement, and construction of Transmission Provider's Interconnection Facilities and Network Upgrades shall be subject to audit for a period of twenty-four months following Transmission Provider's issuance of a final invoice in accordance with Article 12.2.

25.4.2 Audit Rights Period for All Other Accounts and Records. Accounts and records related to either Party's performance or satisfaction of all obligations under this LGIA other than those described in Article 25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four months after the event for which the audit is sought.

25.5 Audit Results. If an audit by a Party determines that an overpayment or an underpayment has occurred, a notice of such overpayment or underpayment shall be given to the other Party together with those records from the audit which support such determination.

Article 26. Subcontractors

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

26.2 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this LGIA. The hiring Party

shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided,

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however, that in no event shall Transmission Provider be liable for the actions or inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under Article 5 of this LGIA. Any applicable obligation imposed by this LGIA upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

26.3 No Limitation by Insurance. The obligations under this Article 26 will not be limited in any way by any limitation of subcontractor's insurance.

Article 27. Disputes

27.1 Submission. In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this LGIA or its performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.

27.2 External Arbitration Procedures. Any arbitration initiated under this LGIA shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail.

27.3 Arbitration Decisions. Unless otherwise agreed by the Parties, the arbitrator(s)

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shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this LGIA and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

27.4 Costs. Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

Article 28. Representations, Warranties, and Covenants

28.1 General. Each Party makes the following representations, warranties and covenants:

28.1.1 Good Standing. Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this LGIA and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this LGIA.

28.1.2 Authority. Such Party has the right, power and authority to enter into this LGIA, to become a Party hereto and to perform its obligations hereunder. This LGIA is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable

principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

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28.1.3 No Conflict. The execution, delivery and performance of this LGIA does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

28.1.4 Consent and Approval. Such Party has sought or obtained, or, in accordance with this LGIA will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this LGIA, and it will provide to any Governmental Authority notice of any actions under this LGIA that are required by Applicable Laws and Regulations.

Article 29. Joint Operating Committee

29.1 Joint Operating Committee. Except in the case of ISOs and RTOs, Transmission Provider shall constitute a Joint Operating Committee to coordinate operating and technical considerations of Interconnection Service. At least six (6) months prior to the expected Initial Synchronization Date, Interconnection Customer and Transmission Provider shall each appoint one representative and one alternate to the Joint Operating Committee. Each Interconnection Customer shall notify Transmission Provider of its appointment in writing. Such appointments may be changed at any time by similar notice. The Joint Operating Committee shall meet as necessary, but not less than once each calendar year, to carry out the duties set forth herein. The Joint Operating Committee shall hold a meeting at the request of either Party, at a time and place agreed upon by the representatives. The Joint Operating Committee shall perform all of its duties consistent with the provisions of this LGIA. Each Party shall cooperate in providing to the Joint Operating Committee all information required in the performance of the Joint Operating Committee's duties. All decisions and agreements, if any, made by the Joint Operating Committee, shall be evidenced in writing. The duties of the Joint Operating Committee shall include the following:

29.1.1 Establish data requirements and operating record requirements.

29.1.2 Review the requirements, standards, and procedures for data acquisition equipment, protective equipment, and any other equipment or software.

29.1.3 Annually review the one (1) year forecast of maintenance and planned outage schedules of Transmission Provider's and Interconnection Customer's facilities at the Point of Interconnection.

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29.1.4 Coordinate the scheduling of maintenance and planned outages on the Interconnection Facilities, the Large Generating Facility and other facilities that impact the normal operation of the interconnection of the Large Generating Facility to the Transmission System.

29.1.5 Ensure that information is being provided by each Party regarding equipment availability.

29.1.6 Perform such other duties as may be conferred upon it by mutual agreement of the Parties.

Article 30. Miscellaneous

30.1 Binding Effect. This LGIA and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

30.2 Conflicts. In the event of a conflict between the body of this LGIA and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this LGIA shall prevail and be deemed the final intent of the Parties.

30.3 Rules of Interpretation. This LGIA, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this LGIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this LGIA), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this LGIA or such Appendix to this LGIA, or such Section to the LGIP or such Appendix to the LGIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this LGIA as a whole and not to any particular Article or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".

30.4 Entire Agreement. This LGIA, including all Appendices and Schedules attached

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hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this LGIA. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any

30.5 No Third Party Beneficiaries. This LGIA is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

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

Any waiver at any time by either Party of its rights with respect to this LGIA shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this LGIA. Termination or Default of this LGIA for any reason by Interconnection Customer shall not constitute a waiver of Interconnection Customer's legal rights to obtain an interconnection from Transmission Provider. Any waiver of this LGIA shall, if requested, be provided in writing.

30.7 Headings. The descriptive headings of the various Articles of this LGIA have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this LGIA.

30.8 Multiple Counterparts. This LGIA may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

30.9 Amendment. The Parties may by mutual agreement amend this LGIA by a written instrument duly executed by the Parties.

30.10 Modification by the Parties. The Parties may by mutual agreement amend the Appendices to this LGIA by a written instrument duly executed by the Parties. Such amendment shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.

30.11 Reservation of Rights. Transmission Provider shall have the right to make a unilateral filing with FERC to modify this LGIA with respect to any rates, terms

and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules

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and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this LGIA pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this LGIA shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

30.12 No Partnership. This LGIA shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

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IN WITNESS WHEREOF, the Parties have executed this LGIA in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

El Paso Electric Company (Transmission Provider and Transmission Owner)

DocuSigned by:

By: Dave Hawkins
E931341DFF85425...

Title: Vice President

Date: 8/15/2023

By: _____

Title: _____

Date: _____

OneEnergy Development, LLC, [Interconnection Customer]

By: _____

Title: CEO

Date: AUG. 15, 2023

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Appendices: Interconnection Facilities, Network Upgrades and Distribution Upgrade

Appendices to LGIA

Appendix A	Interconnection Facilities, Network Upgrades, and Distribution Upgrades
Appendix B	Milestones
Appendix C	Interconnection Details
Appendix D	Security Arrangements Details
Appendix E	Commercial Operation Date
Appendix F	Addresses for Delivery of Notices and Billings
Appendix G	Interconnection Requirements for a Wind Generating Plant

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Appendix A: Interconnection Facilities, Network Upgrades and Distribution Upgrades

Appendix A to LGIA

INTERCONNECTION FACILITIES, NETWORK UPGRADES AND DISTRIBUTION UPGRADES[2]

Description of Project

The Interconnection Customer under this LGIA is interconnecting Large Generating Facilities that were studied as part of the same cluster study, and which have their origin in two Interconnection Requests. Project SS100S is a 100 MW photovoltaic ("PV") Large Generating Facility with a maximum output of 100 MW, and Project SS50S is a 50 MW PV Large Generating Facility with a maximum output of 50 MW. The projects are to share a single point of interconnection ("POI"), a new 115 kV substation which will tap EPE's Seabeck to San Felipe 115 kV transmission line.[3] Both projects are to be operated by the Interconnection Customer as a single generating facility. The Interconnection Customer's proposed commercial operation date ("COD") is April 30, 2025.

Project SS100S is comprised of 28 x 4.105 MVA Power Electronics HEM FS4105M solar inverters. Project SS50S is comprised of 14 x 4.105 MVA Power Electronics HEM FS4105M solar inverters. SS50S and SS100S are adjacent to each other, and the electricity generated by each of them will move through the same step-up transformer and will share the same gen-tie line to a single POI on EPE's Transmission System. SS100S will run two 34.5 kV lines and SS50S will run a single 34.5 kV line to a single 115/34.5 kV step-up transformer. The output of the facilities will then move from the step-up transformer to the EPE POI 115 kV Substation through a single 115kV overhead gen-tie line less than 1 mile in length.

The facilities between the Large Generating Facilities and the PCO, including, for example, the

[2] Transmission Provider's Transmission System was studied and evaluated assuming that senior requests and equal-queued requests, and the facilities identified by Transmission Provider as necessary for such requests, are in effect and in service. This LGIA and its Appendices and Schedules are subject to change, based upon changes to such circumstances.

[3] The transmission line is not yet constructed.

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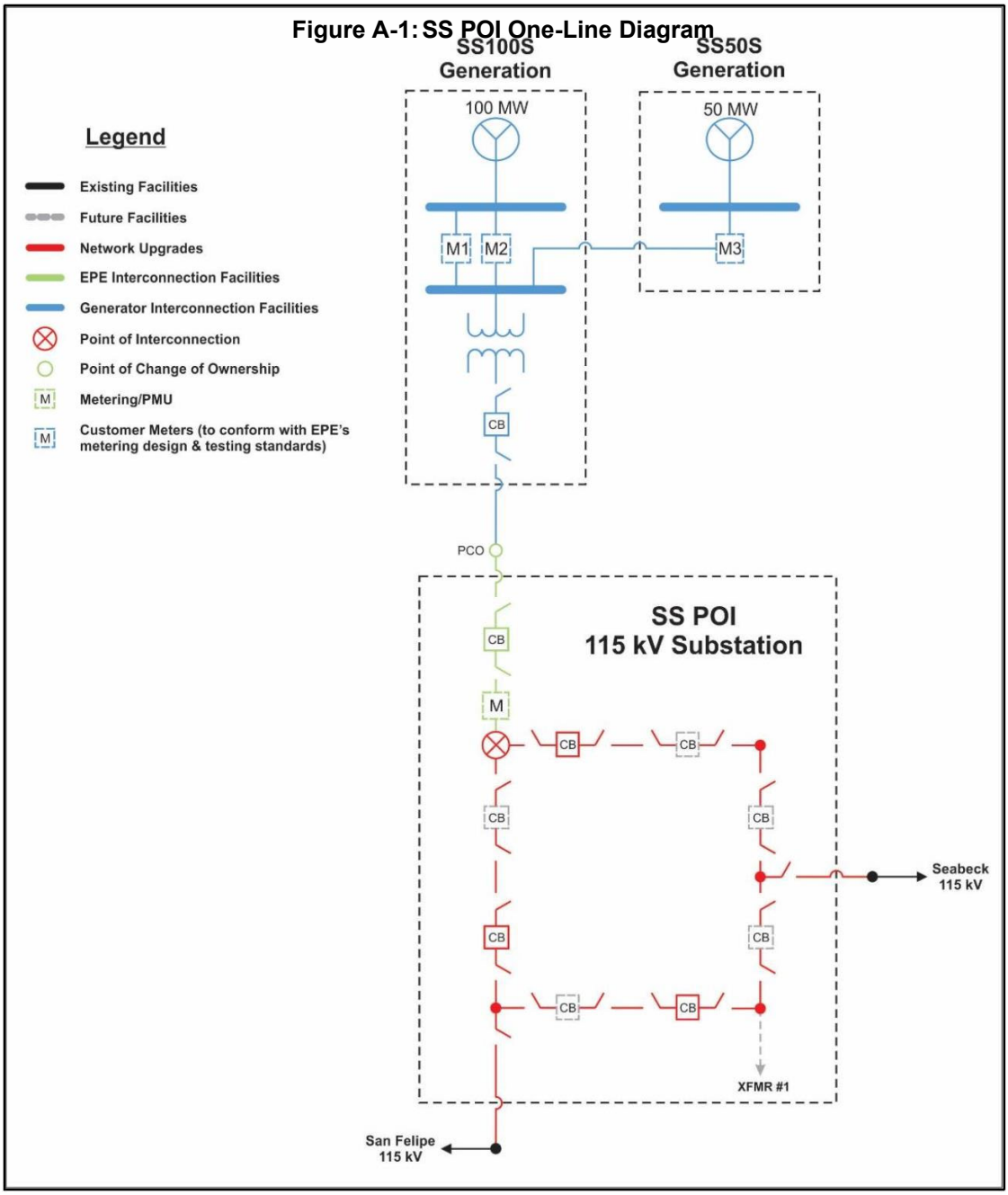
joint collection system, the single 115/34.5 kV transformer and the single 115 kV overhead transmission line up to the PCO, are to be used by both SS100S and SS50S.[4] Transmission Provider's revenue meter will measure the aggregated generation delivered from SS100S and SS50S combined, and Transmission Provider will not be able to, nor be obligated to, differentiate as to which (as between SS100S and SS50S) generated such delivered electricity.

See Figures A-1 and A-2.

[4] A single 115 kV line owned by EPE is to run between the PCO to the POI at the SS POI 115 kV Substation. The line from the PCO to the POI is a Transmission Provider Interconnection Facility. Both SS100S and SS50S will access the POI through this Transmission Provider Interconnection Facility.

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Figure A-1: SS POI One-Line Diagram



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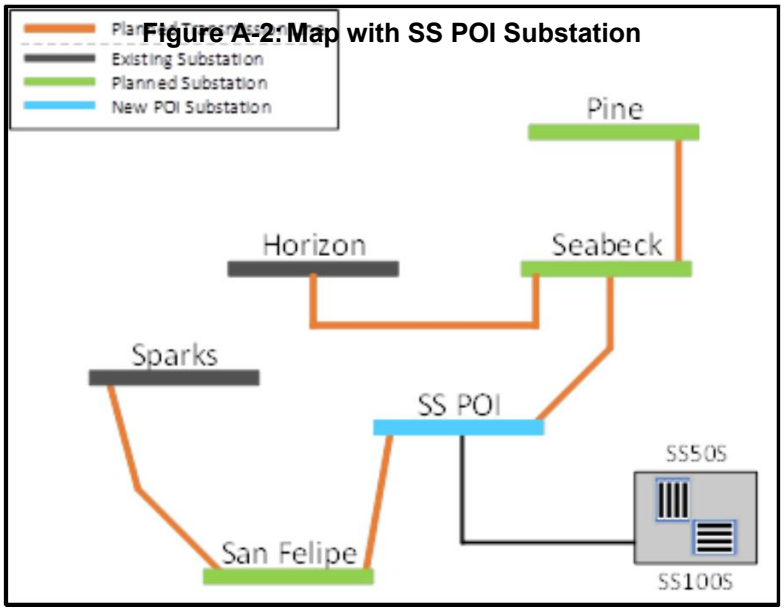


Figure A-2: Map with SS POI Substation

I. INTERCONNECTIONFACILITIES

A. Interconnection Customer's Interconnection Facilities

Interconnection Customer's Interconnection Facilities are facilities that will be engineered, procured, constructed, owned, operated, and maintained by Interconnection Customer at its sole expense. The Interconnection Customer's Interconnection Facilities shall include:

All Interconnection Facilities from the generator facilities up to the Point of Change of Ownership ("PCO").[5] The PCO is the dead-end pole that connects the interconnection line into the POI substation. The Interconnection Customer's Interconnection Facilities include all generator step-up transformers, breakers, and any VAR support equipment needed to integrate the SS100S and SS50S projects.

[5] Interconnection Customer's Interconnection Facilities also include any relays or other protection system and control equipment associated with the Large Generating Facilities that Transmission Provider permits to be installed on the Transmission Provider's side of the PCO, should any such installations be necessary. Any such relays or

other equipment will be owned, maintained and tested by the Interconnection Customer; Transmission Provider will allow access to the Interconnection Customer for such activities.

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The Generator Interconnection Facilities required for the interconnection of the Cluster Projects are not included in this interconnection agreement.

B. Transmission Provider's Interconnection Facilities

Transmission Provider's (EPE) Interconnection Facilities are facilities from the Point of Change of Ownership (PCO) to the Point of Interconnection, paid for by the Interconnection Customer but owned and operated by EPE. The following facilities to be installed are designated as Transmission Provider's Interconnection Facilities:

Facilities from the interconnection line dead-end structure to the Point of Interconnection (including the pole, conductor from the pole to the Point of Interconnection, breakers, the revenue metering equipment, and the Phasor Measurement Unit).

The major EPE Interconnection Facilities required for the interconnection of SS100S and SS50S are provided in Table A-1 below.

Table A-1: EPE Transmission Provider Interconnection Facilities		
Sub Connection	Substation	Breaker and switches to accommodate the interconnection of SS100S and SS50S
Gen Facility Tie-in	Transmission	Tie-in the IC's gen-tie line (the gen-tie that runs from the SS100S and SS50S Generating Facilities to the PCO) to EPE's 115 kV transmission line that will run from the PCO to the 115 kV POI substation
Revenue Metering	Substation	To be installed at the POI
Phasor Measurement Unit	Substation	To be installed at the POI

II. NETWORK UPGRADES

Network Upgrades are facilities from the Point of Interconnection out to the transmission paid for by the Interconnection Customer(s) but owned and operated by EPE. Network Upgrades shall mean additions, modifications, and upgrades to the EPE transmission system to accommodate the interconnection of the Generating Facilities.

The following facilities, shown in Table A-2, to be installed for NRIS interconnection service to the cluster participants are designated as Network Upgrades:

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Table A-2: Network Upgrade Facilities		
POI Substation	Substation	115 kV substation at POI (to be located on the Seabeck-San Felipe 115 kV line)
Seabeck-San Felipe Tie-in	Transmission	Tying the planned Seabeck-San Felipe transmission line into the POI 115 kV substation
Remote-end Relay Settings will need to be	Substation	Remote-end protection settings and relays reviewed/modified

Detailed identifications, as between the Transmission Provider and the Interconnection Customer, regarding Network Upgrades versus Stand Alone Network Upgrades will be addressed between the Parties. Engineering, design, procurement and construction of System Protection & Control and communications equipment and facilities are among the items not considered Stand Alone Network Upgrades. In addition, activities associated with tying in Network Upgrades or Stand Alone Network Upgrades to the Transmission Provider's transmission system are among the activities not considered Stand Alone Network Upgrades.

III. DISTRIBUTION FACILITIES

NONE. [6]

[6] Not Applicable to this Agreement with the exception of station service equipment and facilities.

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Appendix B: Milestones

Appendix B to LGIA

MILESTONES[7]

The Interconnection Customer has elected the following option pursuant to Section 5.1 of this LGIA (check one):

☐ Standard Option, under which the Transmission Provider Designs, Procures and Constructs.

☐ **Option to Build, under which the Interconnection Customer Designs, Procures and Constructs the Stand-Alone Network Upgrade.**

Interconnection Customer's Milestones: (includes activities per Art. 5.5.2, 5.5.3, 5.6.3, 5.6.4 and 11.5)

Effective Date of the LGIA **unless FERC**	**Upon execution by both parties,**[9]	**Both Parties**
Interconnection Customer to \$2,000,000 to EPE in the form of a letter of credit, or other form of security that is reasonably acceptable to EPE, for permitting,	**a different effective date.** **At the same time Interconnection Customer executes this Interconnection Agreement**	**Interconnection Customer**

[7] Unless not applicable as provided in Article 1 of this LGIA (see definition of Interconnection Customer).

[8] The dates shown related to construction activities, backfeed, trial operation, etc. are estimates. Delays may be encountered for a variety of reasons, including, but not limited to right of way acquisition, permitting, inclement weather that impedes construction, the inability to take line outages due to reliability or other reasons, delays in the posting of financial security, whether work is suspended by the Interconnection Customer, etc. The Transmission Provider typically does not permit transmission line outages from mid-May to late September.

[9] If the LGIA is unexecuted and the Interconnection Customer requests that EPE file the unexecuted LGIA with the Federal Energy Regulatory Commission (FERC), the effective date shall be the date designated by the FERC.

and preliminary engineering design work associated with Transmission Provider Interconnection Facilities and Network Upgrades. Interconnection Customer is to provide, at the same time, written authorization for Transmission Provider to proceed with such work.		
Certification by each Party of satisfaction of all insurance requirements (per Art. 18.3.9)	**Within 10 Calendar Days of LGIA Effective Date.**	**Both Parties**
Interconnection Customer to provide second financial security payment for $4,670,000 to EPE in the form of a letter of credit, or other form of security that is reasonably acceptable to EPE, for detailed engineering, procurement and initial construction of Transmission Provider's Interconnection Facilities and Network Upgrades. Customer is to provide, at the same time, written authorization for Transmission Provider to proceed with such work.	**12 months after the execution of this agreement by both parties.**	**Interconnection Customer**
Interconnection Customer to provide additional financial security payment for $4,673,000 to EPE in the form of a letter of credit, or other form of security that is reasonably acceptable to EPE, for procurement and construction Transmission Provider's Interconnection Facilities and Network Upgrades.	**Start of construction of the POI 115 kV Substation.**	**Customer**

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Submission of initial specifications for the Interconnection Customer's Interconnection Facilities under Art. 5.10.1, Information Submission of Transmission Provider under Art. 24.2, and Updated Information Submission of Interconnection Customer under Art. 24.3	**At least 180 Calendar Days prior to Trial Operation/Initial Synchronization Date, but in no event later than 7/1/2024**	**Both Parties**
Submission of final specifications for the Interconnection Customer's Interconnection Facilities (per Art. 5.10.1)	**No later than 90 Calendar Days following tender of initial specifications, and at least 90 Calendar Days prior to Trial Operation/Initial Synchronization Date**	**Interconnection Customer**
Control Area written notification by Interconnection Customer (per Art. 9.2)	**At least three months before back feed power date**	**Interconnection Customer**
Back feed power **before Commercial Operation Date**	**No earlier than three months**	**Interconnection Customer, with Transmission Provider's consent**
Operation start and Initial Synchronization Date, including export power testing sequence start	**30 Calendar Days following the back-feed power date**	**Interconnection Customer, with Transmission Provider's consent**

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Commercial Operation Date (COD):	**The Interconnection Customer has identified a desire to achieve Commercial Operation on April 30, 2025; however, Transmission Provider estimates that after any and all land acquisition/easements and environmental services/permitting have been obtained by the Interconnection Customer, the engineering, procurement and construction necessary for all Network Upgrades in the Interconnection Customer's NRIS cluster is estimated to take 36 months. COD Timing is also contingent on timely notifications by Interconnection Customer and assumes no Suspension of Work.**[10]	**Interconnection Customer**

[10] The ability to take line outages to permit COD activities may be impeded due to reliability or other reasons. The Interconnection Customer agrees that it will pay for costs associated with taking line outages necessary to install

interconnection facilities and network upgrades and to permit testing of the Interconnection Customer's Generating Facilities. Such costs may include redispatch costs.

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Appendix C: Interconnection Details

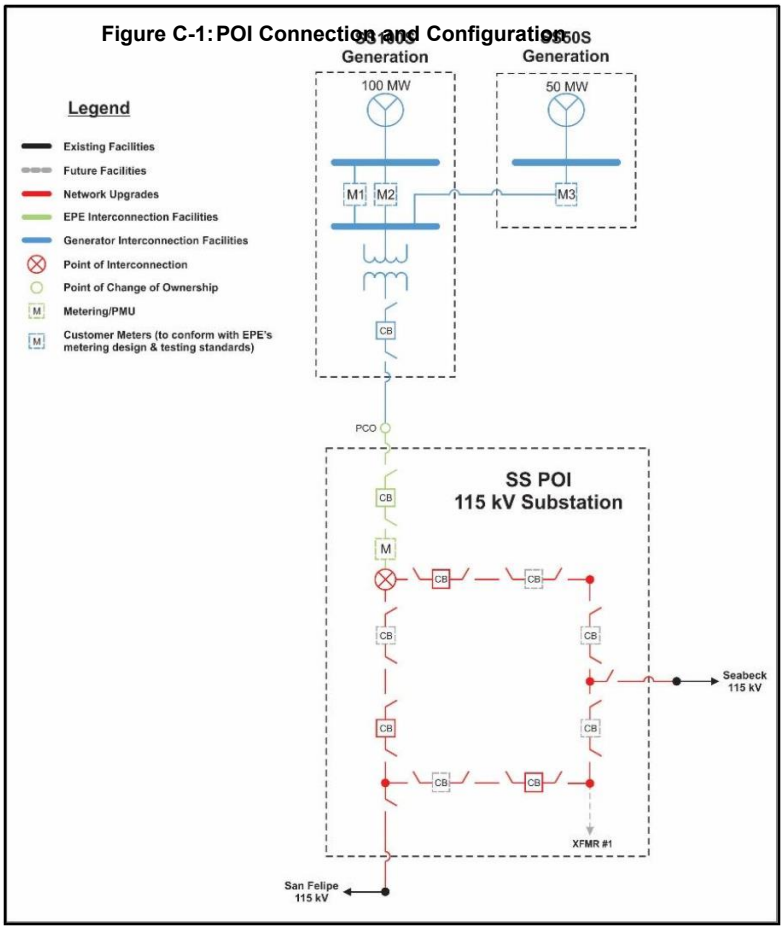
Appendix C to LGIA

DETAILS[11]

At the time this Interconnection Agreement is being entered into, SS100S and SS50S are the two (2) Cluster Projects requesting Network Resource Interconnection Service ("NRIS").

Figure C-1 below shows the new POI 115 kV substation connecting the new SS50S and SS100S Generating Facilities and intersecting the future Seabeck to San Felipe 115 kV transmission line.

Figure C-1: POI Connection and Configuration



[11] If the Interconnection Customer's Interconnection Request was studied as part of a Queue Cluster, the costs for Network Upgrades associated with the specific Queue Cluster will be allocated pursuant to Section 4.2.2 of the Large Generator Interconnection Procedures in Attachment M of EPE's OATT.

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I. ASSUMPTIONS AND COST ESTIMATES[12]

The following key assumptions were identified regarding the facilities required for the interconnection of the Cluster Projects:

1. The Interconnection Customers will coordinate with EPE on land acquisition for the POI Substation, which is assumed to be between the corridor of the SS50S and SS100S Facility Sites. The Interconnection Customers will be responsible for all land acquisition and will grant EPE the servitudes required for the new SS POI 115 kV substation, transmission line cut-ins, span between the Point of Change of Ownership ("PCO") structure and point of interconnection ("POI"), and access road as agreed upon. The actual locations and sizes will be finalized and agreed upon during detail design.
2. All active senior-queued projects and facility upgrades were assumed to be in service prior to beginning construction on Network Upgrades attributed to the Cluster Projects.
3. The cost estimates and project schedules provided in this report do not include Interconnection Customer (Generator) Interconnection Facilities.
4. The cost estimates and project schedules provided in this report do not include EPE facilities that are not categorized as EPE Interconnection Facilities or Network Upgrade facilities.

Any deviation from these assumptions may have substantial impacts to the cost estimates and/or project schedules.

Assumptions

The general assumptions made in the design and cost estimates of the substation and transmission facilities are listed below:

1. Cost estimates provided are good faith "scoping estimates" based on 2023 dollars; no escalation or discount rates were included.

2. No state, county or city taxes were included.

3. ~~Contingency fo~~r substation facilities were assumed to be 20% of the total material,

[12] The costs shown in this LGIA are estimates. The Interconnection Customer is responsible for paying the actual costs.

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labor, engineering, and construction management costs.

4. Contingency for transmission facilities were assumed to be 10% of the total material, labor, engineering, and construction management costs.

5. Contingency for land acquisition/easements and environmental services/permitting were assumed to be 30% of the total incurred costs.

6. Estimates were based on equipment and configuration shown in substation layouts.

7. Direct costs for EPE are included in the cost estimates at 6% of the project total rounded up to the nearest thousand. Direct costs may include, but are not limited to EPE program management, project management and overhead costs. Actual direct costs may differ from the estimated value.

8. The Interconnection Customers will be responsible for all land acquisition and will grant EPE the servitudes required for the new POI 115 kV substation, transmission line cut-ins, span between the Point of Change of Ownership ("PCO") structure and point of interconnection ("POI"), and access road as agreed upon. The actual locations and sizes will be finalized and agreed upon during detail design. No cost estimation for land acquisition, right of way or permitting are identified in this

9. A servitude from the Interconnection Customer will be provided for the installation and maintenance of the span between the PCO structure and POI at the new POI 115 kV substation.

10. The cost estimates and project schedules provided do not include Generator Interconnection Facilities.

11. The cost estimates provided do not include EPE facilities that are not categorized as EPE Interconnection Facilities or Network Upgrade facilities.

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A. NETWORK UPGRADES FOR THE CLUSTER

Network Upgrades are separated into two categories:

Category 1 - Point of Interconnection station equipment network upgrades, including switching stations., and

Category 2 - Transmission lines, transformers, and voltage support related Network Upgrades.

For station equipment network upgrades, costs are allocated to the interconnection customer interconnecting to the substation, or, where multiple interconnection customers propose to interconnect at the same substation, costs are allocated among those interconnection customers on a *pro rata* basis depending on the number of interconnection requests.

With regard to transmission lines, transformers, and voltage support related Network Upgrades, the costs for those upgrades are allocated under EPE's tariff among the interconnection customers in a cluster using a proportional capacity method under which costs are allocated to interconnection customers in the cluster based on their MW contribution to the total MWs in the cluster.

Network Upgrades are facilities from the POI out to the EPE Transmission System, paid for by the Interconnection Customer but owned and operated by EPE. Network Upgrades are in EPE's OATT and includes additions, modifications, and upgrades to the EPE Transmission System to accommodate the interconnection of the Generating Facility(ies).

SS POI 115 kV Substation

A new 115 kV substation will need to be constructed for the interconnection of the SS100S and SS50S Generating Facilities to EPE's transmission system. The substation will be designed as an 8-position ring bus configuration switchyard. This project will include the installation of three (3) circuit breakers on the ring, sixteen (16) 115 kV disconnect switches on the bus, and two (2) line switches will be installed to isolate the equipment. A control enclosure, and the associated protection, metering, and control equipment for the bays and transmission lines are part of the Network Upgrades. One (1) circuit breaker, one (1)

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isolating disconnect switch, and one (1) line switch will be installed on the transmission line that connects to the SS100S and SS50S Generating Facilities.

The substation will also have accommodations for five (5) future elements. Although the Interconnection Customer is not responsible for funding those five (5) future elements, EPE prefers, in the event Customer elects the Option-to-Build, that the Interconnection Customer include an additional two (2) circuit breakers within the design and construction. The Interconnection Customer will not be required to shoulder cost responsibility for those two additional circuit breakers.

Figure C-1 above shows the layout of the 115 kV substation that is to be the POI Substation for the SS100S and SS50S Generating Facilities. The POI Substation is to intersect the _to San Felipe 115 kV transmission line. The Network Upgrades include any additions, modifications, and upgrades to the EPE Transmission System to accommodate the interconnection. The cost estimates provided in this Appendix also include the estimated costs of the EPE Interconnection Facilities required to interconnect the shared gen-tie line of SS50S and SS100S at the PCO into the POI Substation site. These include, for example, the transmission facilities between the interconnection line dead-end structure and the termination point at the SS POI 115 kV substation bus, as well as revenue metering and phasor measurement between the interconnection line and the POI.

Design and Construction

The Interconnection Facilities and Network Upgrade design and construction assumptions are listed below. To the extent any of these assumptions is later determined to be incorrect, the cost estimate may need to change. As detailed engineering and design proceeds after this LGIA becomes effective, the Transmission Provider may adjust to the assumptions identified in this LGIA, including adjustments to structure and equipment type:

1. The project will require the installation of four (4) 115 kV 3000A Gang Operated Breakers. An additional two (2) 115 kV 3000A Gang Operated Breakers should be included in the design and construction.

2. Seventeen (17) 3000A "Vee" type Switches for the bus and three (3) 3000A "Vee" type

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switches for the lines will be installed.

3. Three (3) H-frame Dead-end structures will be installed to accommodate the lines to Seabeck and San Felipe and the connection to SS50S and SS100S.

4. This substation facility at the POI will be built in a 530' x 500' substation fenced area.

5. Access to this facility was assumed adequate for the installation.

6. Grading and Foundation installations were assumed not to include any shale or rock excavation.

7. Owner standard structures with loading criteria will be used for foundation design.

. The remote end line protection at Seabeck and San Felipe will have to match the protection for this installation.

9. Primary and backup sources for station power will be installed in each 115 kV bus at this substation.

10. Ground Grid was estimated to be installed as a 30' x 30' grid. Ground grid will be designed using 4/0, 19 strand bare copper. Final ground grid conductor spacing will be determined based on the ground grid study.

11. Estimate assumed that Communications to the site will be via OPGW. Final pricing will depend on detail engineering.

12. A 16' x 40' Prefabricated Drop-in control equipment enclosure will be included in the design to enclose all protection and control equipment for the transmission lines, substation equipment and the connection to the generators.

13. The protection relaying scheme of the SS50S and SS100S Generator Interconnection Facilities connecting to EPE's facilities will be the responsibility of the Interconnection Customer.

Table C-1 shows the cost estimate for the design and construction of the Substation Network Upgrades associated with the proposed SS POI 115 kV substation.

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Table C-1: SS POI 115 kV Substation – Network Upgrade Cost Estimate for the Substation					
Item	Material Cost	Contract Labor		Construction Management	
Substation	$2,993,000	$1,676,000	$467,000	$467,000	$5,603,000
Protection & Control	$534,000	$351,000	$89,000	$89,000	$1,063,000
Contingency (20% Substation)	$706,000	$406,000	$112,000	$112,000	$1,336,000
EPE Direct Cost (6%) $402,000		$212,000	$122,000	$34,000	$34,000
Total Design and Construction Cost $8,404,000		**$4,445,000**	**$2,555,000**	**$702,000**	**$702,000**

Land acquisition and easements will be handled by the Interconnection Customers for the new SS POI 115 kV substation (along with an access road) at the requested location and were not included in the cost estimates.

Environmental services/permitting will be handled by the Interconnection Customers for the new SS POI 115 kV substation (along with an access road) at the requested location and were not included in the cost estimates.

The total Network Upgrade cost estimate for the new POI Substation is $8,404,000. Next, EPE addresses the Network Upgrade costs for tying into the new POI Substation into EPE's Transmission System.

SS POI 115 kV Transmission Tie-In-Related Network Upgrade Costs

The following sections describe the assumptions and cost estimate for tying the new POI Substation into EPE's Transmission System at a location on the Seabeck-San Felipe 115 kV transmission line.

and Construction

In addition to the general cost estimate assumptions listed in Section I. A, the following specific assumptions apply to the design and construction of the EPE Interconnection Facilities required for all of the tie-ins that will be conducted at the new SS POI 115 kV substation.

1. One (1) steel monopole dead-end structure will be required to bring the IC's 115 kV gen-tie line from the SS50S and SS100S Generating Facilities into the POI 115 kV

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substation.

2. Two (2) single circuit three-pole dead-end structures will be required to terminate the planned Seabeck-San Felipe 115 kV transmission line at the 115 kV POI substation. No other modifications to existing structures on the Seabeck-San Felipe 115 kV transmission line were assumed to be necessary.

3. The conductors shall be 954 kcmil "Rail" single ACSR per phase.

4. All hardware assemblies shall use EPE standard polymer insulators with compression dead-end connections.

5. Ruling Span: 400'

Loading: NESC Light District, NESC Medium District, and EPE standards.

7. Maximum Conductor Operating Temperature: 212°F

8. Design tension conductor: 25% RBS maximum under NESC Medium and 25% RBS maximum under NESC Light.

9. Shield wire: 3/8" 7-strand steel EHS wire and SFPOC/SFSJ-J-4062 OPGW.

10. Design tension shield wire: 80% of conductor sag under 60°F Normal Conditions.

11. Dead-end Structure Design: Self-supported single circuit steel monopole structure concrete drilled shafts for the Interconnection Facilities and self-supported steel three-pole structures on concrete drilled shafts for the Network Upgrades.

12. Structure Height: Monopole dead-end structure is 60' total length.

    a. Foundation utilizes reinforced drilled piers with anchor bolt cages. Estimated foundation diameter is 6' and estimated foundation depths are 25'.

13. Structure Height: Three-pole dead-end structures are 60' total length. Monopole dead-end structures are 75' total length.

    a. Foundations utilize reinforced drilled piers with anchor bolt cages.

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i. Estimated foundation diameters for three-pole dead-end structures are 6' and estimated foundation depths are 15'.

14. Foundation sizes and costs were estimated based on data from other projects previously performed in the area.

15. All structures are to be galvanized and estimated cost per pound of steel is $1.95/lb.

The cost estimate of the Network Upgrades required to tie-in the planned Seabeck – San Felipe 115 kV transmission lines into the new SS POI 115 kV substation is shown in Table C-2 below.

Table C-2: Seabeck – San Felipe 115 kV Tie-In – Network Upgrade Cost Estimate

Costs	$82,000	$117,000	$199,000	
Foundation Costs	$153,000	$157,000	$310,000	
Installed Wires		$32,000	$122,000	$154,000
Construction Incidentals		$0	$100,000	$100,000
Engineering		$0	$39,000	$39,000
Construction Management		$0	$46,000	$46,000
Contingency (10%)		$27,000	$59,000	$86,000
EPE Direct Cost (6%)		$17,000	$24,000	$41,000
Total Design and Construction		**$311,000**	**$664,000**	**$975,000**

B. EPE INTERCONNECTION FACILITIES

The major EPE Interconnection Facilities required for the interconnection of the Cluster Projects are provided in Table C-3 below.

Table C-3: EPE Interconnection Facilities for SS100S and SS50S

Sub Connection	Substation	Breaker and switches to accommodate the connection of the IC's gen-tie line
Gen Facility Tie-in	Transmission	Tie-in the IC's gen-tie line at the PCO and into the SS POI 115 kV substation site
Revenue Metering	Substation	To be installed at the POI
Phasor Measurement	Substation	To be installed at the POI

Unit

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Substation Connection-Related EPE Interconnection Facilities

C-5 and C-6 show the allocation, as between SS100S and SS50S, of the cost estimate for the design and construction of the substation-related Transmission Provider Interconnection Facilities.

Table C-5: SS100S Substation Connection – EPE Interconnection Facilities Cost Estimate

Item	Material	Contract Labor	Construction Mgmt	Total
Substation	$85,000	$84,000	$17,000	$17,000 $203,000
System Protection & Control	$263,500	$68,500	$33,500	$33,500 $399,000
Contingency (20% Substation)	$70,000	$30,500	$10,500	$10,500 $121,500
EPE Direct Cost (6%)	$21,000	$9,500	$3,500	$3,500 $37,500
Total Design and Construction Cost	**$439,500**	**$192,500**	**$64,500**	**$64,500 $761,000**

Table C-6: SS50S Substation Connection – EPE Interconnection Facilities Cost Estimate

Item	Material	Contract Labor	Construction Mgmt	Total
Substation	$85,000	$84,000	$17,000	$17,000 $203,000
System Protection & Control	$263,500	$68,500	$33,500	$33,500 $399,000
Contingency (20% Substation)	$70,000	$30,500	$10,500	$10,500 $121,500
EPE Direct Cost (6%)	$21,000	$9,500	$3,500	$3,500 $37,500
Total Design and Construction Cost	**$439,500**	**$192,500**	**$64,500**	**$64,500 $761,000**

Transmission 115 kV Tie-In-Related EPE Interconnection Facilities

The cost estimate, as allocated between SS100S and SS50S, of the tie-in-related EPE Interconnection Facilities required for the interconnection is shown in Tables C-7 and C-8 below.

Table C-7: SS100S Generating Facility 115 kV Tie-In – EPE Interconnection Facilities Cost Estimate

Structure Costs		$20,000	$17,000	$37,000
Foundation Costs		$10,500	$14,500	$25,000
Installed Wires		$4,500	$57,500	$62,000
Construction Incidentals		$0	$50,000	$50,000
Engineering		$0	$9,000	$9,000
Construction Management	$0	$10,500	$10,500	
(10%)	$3,500	$16,000	$19,500	
EPE Direct Cost (6%)	$2,500	$5,500	$8,000	
Total Design and Construction		**$41,000**	**$180,000**	**$221,000**

Table C-8: SS50S Generating Facility 115 kV Tie-In – EPE Interconnection Facilities Cost Estimate

Structure Costs		$20,000	$17,000	$37,000
Foundation Costs		$10,500	$14,500	$25,000
Installed Wires		$4,500	$57,500	$62,000
Construction Incidentals		$0	$50,000	$50,000
Engineering		$0	$9,000	$9,000
Construction Management		$0	$10,500	$10,500
Contingency (10%)		$3,500	$16,000	$19,500
EPE Direct Cost (6%)	$2,500	$5,500	$8,000	
Total Design and Construction	**$41,000**	**$180,000**	**$221,000**	

C. COST SUMMARY

Total Cost Summary

The total cost estimates for the EPE Interconnection Facilities and Network Upgrade facilities are presented in Table C-9 and Table C-10 below.

Table C-9: Total Transmission Provider (EPE) Interconnection Facilities Cost Estimates

SS50S	$761,000	$221,000	$982,000
SS100S	$761,000	$221,000	$982,000

Table C-10:Total Network Upgrade Facilities Cost Estimate		
SS POI Substation	Cat 1	$8,404,000
Seabeck-San Felipe Tie-in	Cat 1	$975,000
Total Network Upgrade Cost		**$9,379,000**

Cluster Project Cost Allocation

Network Upgrade Costs were allocated across the Fall East 2022 Generation Cluster Projects equally between the two projects. Under EPE's tariff, the costs for POI station equipment, including all switching stations, are to be allocated on a *pro rata* basis based on the number of Generating Facilities interconnecting at an individual station. Therefore, SS50S and SS100S will each be responsible for 50% of the Network Upgrade costs attributed to the Fall East 2022 Generation Cluster Projects.

Table C-11 shows the combined EPE Interconnection Facilities and Network Upgrade cost estimates for each of the projects in the Fall East 2022 Generation Cluster.

Table C-11: Total Cost per Cluster Project			
Cluster Project	EPE Interconnection	Category 1	
SS50S	$982,000	$4,689,500	$5,671,500
SS100S	$982,000	$4,689,500	$5,671,500

[13] There are no Category 2-type Network Upgrades for this particular interconnection.

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Appendix D: Security Arrangements Details

Appendix D to LGIA

Security Arrangements Details

Infrastructure security of Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day Transmission System reliability and operational security. FERC will expect all entities, including Transmission Providers, market participants, and Interconnection Customers interconnected to the Transmission System to comply with the Reliability Standards promulgated by FERC and administered by the North American Electric Reliability Corporation (NERC) and associated Regional Reliability Organizations (RRO). In EPE's service territory, the RRO is the Western Electricity Coordinating Council (WECC).

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Appendix E: Commercial Operation Date

Appendix E to LGIA

Commercial Operation Date

This Appendix E is a part of the LGIA between Transmission Provider and Interconnection Customer.

[Date]

Roberto Favela
Manager of System Interconnections
P.O. Box 982 – LOC 751
El Paso, Texas 79960

Re: SS100S and SS50S Large Generating Facilities

Dear :

On **[Date], [Name of Interconnection Customer]** has completed Trial Operation of SS100S and SS50S. This letter confirms that [**Name of Interconnection Customer**] commenced Commercial Operation of SS100S and SS50S, effective as of [**Date plus one day**].

Thank you.

[Signature]

[Interconnection Customer Representative]

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Appendix F: Addresses for Delivery of Notices and Billings

Appendix F to LGIA

Addresses for Delivery of Notices and Billings

Transmission Provider:

EPE System Interconnections
Attn: Roberto Favela, Manager of System Interconnections
P.O. Box 982 – LOC 751
El Paso, Texas 79960
Tel: (915) 521-4418
Email: roberto.favela@epelectric.com

Alternate:
EPE System Interconnections
Attn: Donna AlHakeem Enriquez
P.O. Box 982 – LOC 751
El Paso, Texas 79960 Tel:
(915) 543-4386
Email: Donna.AlHakeem@epelectric.com

Interconnection Customer:

OneEnergy Development, LLC,
Attn: Marni Caroll
2003 Western Avenue, Suite 225
Seattle, WA 98121 Tel: (202)
407-6201
Email: marni@oneenergyrenewables.com

For receiving operating instructions from the Transmission Provider and ensuring responsive actions, receiving other communications from the Transmission Provider, and implementation of tasks and actions consistent with the Interconnection Customer's roles and responsibilities as further described in this Agreement, the person to serve as the point of contact to which Transmission Provider shall communicate for such purposes is:

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Attn: Jochen Wissman
2003 Western Avenue, Suite 225
Seattle, WA 98121 Tel: (503)
504-4607
Email: marni@oneenergyrenewables.com

*The Interconnection Customer representative's telephone number and email address are staffed and monitored 24 hours a day, such that the Interconnection Customer is capable of receiving and responding to operating instructions from the Transmission Provider, day or night, without delay.

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Appendix G: Interconnection Requirements for a Wind Generating Plant

Appendix G to LGIA
Interconnection Requirements for a
Wind Generating Plant

Appendix G sets forth requirements and provisions specific to a wind generating plant. All other requirements of this LGIA continue to apply to wind generating plant interconnections.

A. Technical Standards Applicable to a Wind Generating Plant

i. Low Voltage Ride-Through (LVRT) Capability

A wind generating plant shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard below. The LVRT standard provides for a transition period standard and a post-transition period standard.

Transition Period LVRT Standard

The transition period standard applies to wind generating plants subject to FERC Order 661 that have either: (i) interconnection agreements signed and filed with the Commission, filed with the Commission in unexecuted form, or filed with the Commission as non-conforming agreements between January 1, 2006 and December 31, 2006, with a scheduled in-service date no later than December 31, 2007, or (ii) wind generating turbines subject to a wind turbine procurement contract executed prior to December 31, 2005, for delivery through 2007.

1. Wind generating plants are required to remain in-service during three-phase faults

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with normal clearing (which is a time period of approximately 4 - 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles at a voltage as low as 0.15 p.u., as measured at the high side of the wind generating plant step-up transformer (i.e. the transformer that steps the voltage up to the transmission interconnection voltage or "GSU"), after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system.

2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.
3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.
4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr Compensator, etc.) within the wind generating plant or by a combination of generator performance and additional equipment.

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5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

Post-transition Period LVRT Standard

All wind generating plants subject to FERC Order No. 661 and not covered by the transition period described above must meet the following requirements:

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 - 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system. A wind generating plant shall remain interconnected during such a fault on the transmission system for a voltage level as low as zero volts, as measured at the high voltage side of the wind GSU.
2. This requirement does not apply to faults that would occur between the wind

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generator terminals and the high side of the GSU.

3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.

4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr Compensator) within the wind generating plant or by a combination of generator performance and additional equipment.

5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

ii. Power Factor Design Criteria (Reactive Power)

The following reactive power requirements apply only to a newly interconnecting wind generating plant that has executed a Facilities Study Agreement as of the effective date of the Final Rule establishing the reactive power requirements for non-synchronous generators in section 9.6.1 of this LGIA (Order No. 827). A wind generating plant to which this provision applies shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this LGIA, if the Transmission Provider's System Impact Study shows that such a requirement is necessary to ensure safety or reliability. The power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability

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(taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by the Transmission Provider, or a combination of the two. The Interconnection Customer shall not disable power factor equipment while the wind plant is in operation. Wind plants shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the System Impact Study shows this to be required for system safety or reliability.

iii. Supervisory Control and Data Acquisition (SCADA) Capability

The wind plant shall provide SCADA capability to transmit data and receive instructions from the Transmission Provider to protect system reliability. The Transmission Provider and the wind plant Interconnection Customer shall determine what SCADA information is essential for the proposed wind plant, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability in its area.

Tariff Submitter:	El Paso Electric Company
FERC Tariff Program Name:	FERC FPA Electric Tariff
Tariff Title:	Open Access Transmission Tariff
Tariff Record Proposed Effective Date:	May 18, 2019
Tariff Record Title:	OATT, Nonconforming Service Agreements, Service Agreement No. 315, Long-Term Firm PTP Agreement with EDF, 0.2.0
Option Code:	A
The Entity Receiving Service Under the Agreement:	EDF Renewable Development, Inc.
Brief Description of the Service Agreement:	Long-Term Firm Point-to-Point Transmission Service

Form Of Service Agreement For
Firm Point-To-Point Transmission Service

1.0 This Service Agreement, dated as of December 4, 2018, is entered into, by and between El Paso Electric Company (the Transmission Provider), and EDF Renewable Development, Inc. ("Transmission Customer").

2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Firm Point-To-Point Transmission Service under the Tariff.

3.0 The Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Section 17.3 of the Tariff.

4.0 Service under this agreement shall commence on the later of (l) the requested service commencement date, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on such date as mutually agreed upon by the parties (as shown in the Specifications, 1.0).

5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.

6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

El Paso Electric Company
Attn: OASIS Admin
LOC 751
P.O. Box 982
El Paso, TX 79960
TSR_requests@epelectric.com

Transmission Customer:

Omar A Martino

Director, Transmission

1600 Stout Street #1510

Denver, CO 80210

Omar.Martino@edf-re.com

7.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: _____ _____ _____
Name Title Date

Transmission Customer:

By: _____ _____ _____
Name Title Date

Specifications For Long-Term Firm Point-To-Point Transmission Service

1.0 Term of Transaction: Five (5) Years

Start Date: January 1, 2021 Hour 00:00 MS OASIS TSR Ref #86789749

Termination Date: January 1, 2026 Hour 00:00 MS

2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.

Wind generation from the Oso Grande Wind Generating Project in Chaves County, New Mexico. The electric Control Area/Balancing Authority Area in which the transaction originates (where the generation is to be located) is Tucson Electric Power Company. Transmission Customer understands that Transmission Provider has determined that the transmission service to be provided under this Agreement is generation dependent. Specifically, the capability of the EPE transmission system to provide service under this Agreement is dependent on the presence of Transmission Customer's Oso Grande Wind Generating Project at the Point of Receipt and is only available for the delivery of electricity generated at the Oso Grande Wind Generating Project. The Transmission Customer will be billed for its Reserved Capacity at the Schedule 7 demand charges identified in Section 8.0 below, beginning on the Start Date identified in Section 1.0 above, without regard to the status of the Oso Grande Wind Generating Project.

3.0 Point(s) of Receipt: A new 345 kV Substation to be constructed on EPE's Amrad-to-Artesia 345 kV transmission line located in Eddy County, New Mexico under a Large Generating Facility Interconnection Request identified as EC500W.

Delivering Party: Transmission Customer

4.0 Point(s) of Delivery: Springerville 345 kV

Substation Receiving Party: Tucson Electric Power

Company

5.0 Maximum amount of capacity and energy to be transmitted (Reserved Capacity): 185 MW

6.0 Designation of party(ies) subject to reciprocal service obligation: None

7.0 Name(s) of any Intervening Systems providing transmission service: None

8.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

8.1 Transmission Charge: Long Term Firm Point-to-Point Transmission Charges shown in the Tariff, Schedule 7 (and other charges associated with this transmission service as applicable under the Tariff) as those charges may change from time to time during the term of this Agreement. The Schedule 7 charges are shown in Section A of the Transmission Provider's Tariff Schedule 7, for yearly delivery.

8.2 System Impact and/or Facilities Study Charge(s):
None

8.3 Direct Assignment Facilities Charge: None

8.4 Ancillary Services Charges: Schedules 1 and 2, as those charges may change from time to time during the term of this Agreement. Other ancillary service schedule charges, if applicable and requested by Transmission Customer and agreed to by Transmission Provider, are to be assessed under this Agreement, as those charges may change from time to time during the term of this Agreement; provided, however, that Transmission Provider is not obligated to provide the following Ancillary Services, because neither the generating resource nor the load being served is in the Transmission Provider's Balancing Authority Area: Schedules 3, 4, 5, 6 and 9.

Tariff Submitter:	El Paso Electric Company
FERC Tariff Program Name:	FERC FPA Electric Tariff
Tariff Title:	Open Access Transmission Tariff
Tariff Record Proposed Effective Date:	July 8, 2019
Tariff Record Title:	OATT, Nonconforming Service Agreements, Service Agreement No. 317, Short-Term Firm PTP Agreement with EDF, 0.0.0
Option Code:	A
The Entity Receiving Service Under the Agreement:	EDF Renewable Development, Inc.
Brief Description of the Service Agreement:	Short-Term Firm Point-to-Point Transmission Service

Form Of Service Agreement For
Firm Point-To-Point Transmission Service

1.0 This Service Agreement, dated as of April ___, 2019, is entered into, by and between El Paso Electric Company (the Transmission Provider), and EDF Renewables Development, Inc. (f/k/a EDF Renewable Development, Inc.) ("Transmission Customer").

2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Firm Point-To-Point Transmission Service under the Tariff.

3.0 The Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Section 17.3 of the Tariff.

4.0 Service under this agreement shall commence on the later of (l) the requested service commencement date, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on such date as mutually agreed upon by the parties (as shown in the Specifications, 1.0).

5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.

6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

El Paso Electric Company
Attn: OASIS Admin
LOC 751
P.O. Box 982
El Paso, TX 79960
TSR_requests@epelectric.com

Transmission Customer:

EDF Renewables Development, Inc.
Attn: Justin Radl
10 2nd St NE Ste 400
Minneapolis, MN 55413-2652
justin.radl@edf-re.com

7.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: _____ _____ _____
Name Title Date

Transmission Customer:

By: _____ _____ _____
Name Title Date

Specifications For Long-Term Firm Point-To-Point Transmission Service

1.0 Term of Transaction: Four (4) Months

Start Date: September 1, 2020 Hour 00:00 MST OASIS TSR Ref # 88760595

Termination Date: January 1, 2021 Hour 00:00 MST

2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.

Wind generation from the Oso Grande Wind Generating Project in Chaves County, New Mexico. The electric Control Area/Balancing Authority Area in which the transaction originates (where the generation is to be located) is Tucson Electric Power Company. Transmission Customer understands that Transmission Provider has determined that the transmission service to be provided under this Agreement is generation dependent. Specifically, the capability of the EPE transmission system to provide service under this Agreement is dependent on the presence of Transmission Customer's Oso Grande Wind Generating Project at the Point of Receipt and is only available for the delivery of electricity generated at the Oso Grande Wind Generating Project. The Transmission Customer will be billed for its Reserved Capacity at the Schedule 7 demand charges identified in Section 8.0 below, beginning on the Start Date identified in Section 1.0 above, without regard to the status of the Oso Grande Wind Generating Project.

3.0 Point(s) of Receipt: The Empire Substation, a new 345 kV substation to be constructed on EPE's Amrad-to-Artesia 345 kV transmission line located in Eddy County, New Mexico under a Large Generating Facility Interconnection Request identified as EC500W.

Delivering Party: Transmission Customer

4.0 Point(s) of Delivery: Springerville 345 kV

Substation Receiving Party: Tucson Electric Power

Company

5.0 Maximum amount of capacity and energy to be transmitted (Reserved Capacity): 185 MW

6.0 Designation of party(ies) subject to reciprocal service obligation: None

7.0 Name(s) of any Intervening Systems providing transmission service: None

8.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

8.1 Transmission Charge: Firm Point-to-Point Transmission Charges shown in the Tariff, Schedule 7 (and other charges associated with this transmission service as applicable under the Tariff) as those charges may change from time to time during the term of this Agreement. The Schedule 7 charges are shown in Section A of the Transmission Provider's Tariff Schedule 7, for monthly delivery.

8.2 System Impact and/or Facilities Study Charge(s):
None

8.3 Direct Assignment Facilities Charge: None

8.4 Ancillary Services Charges: Schedules 1 and 2, as those charges may change from time to time during the term of this Agreement. Other ancillary service schedule charges, if applicable and requested by Transmission Customer and agreed to by Transmission Provider, are to be assessed under this Agreement, as those charges may change from time to time during the term of this Agreement; provided, however, that Transmission Provider is not obligated to provide the following Ancillary Services, because neither the generating resource nor the load being served is in the Transmission Provider's Balancing Authority Area: Schedules 3, 4, 5, 6 and 9.

Tariff Submitter:	El Paso Electric Company
FERC Tariff Program Name:	FERC FPA Electric Tariff
Tariff Title:	Open Access Transmission Tariff
Tariff Record Proposed Effective Date:	December 9, 2019
Tariff Record Title:	OATT, Nonconforming Service Agreements, Service Agreement No. 325, Large Generator Interconnection Agreement with EDF, 0.0.0
Option Code:	A
The Entity Receiving Service Under the Agreement:	EDF Renewables Development, Inc.
Brief Description of the Service Agreement:	Large Generator Interconnection Agreement

LARGE GENERATOR
INTERCONNECTION AGREEMENT
BETWEEN
EL PASO ELECTRIC COMPANY
AND
EDF RENEWABLES DEVELOPMENT, INC.

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Large Generator Interconnection Agreement

LARGE GENERATOR INTERCONNECTION AGREEMENT

THIS LARGE GENERATOR INTERCONNECTION AGREEMENT ("Agreement" or "LGIA") is made and entered into this 6th day of December, 2019, by and between EDF Renewables Development, Inc., a corporation organized and existing under the laws of the State/Commonwealth of Delaware ("Interconnection Customer" with a Large Generating Facility), and El Paso Electric Company, a corporation organized and existing under the laws of the State of Texas ("Transmission Provider and/or Transmission Owner"). Interconnection Customer and Transmission Provider each may be referred to as a "Party" or collectively as the "Parties."

Recitals

WHEREAS, Transmission Provider operates the Transmission System; and

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the Generating Facility identified as a Large Generating Facility in Appendix C to this Agreement; and,

WHEREAS, Interconnection Customer and Transmission Provider have agreed to enter into this Agreement for the purpose of interconnecting the Large Generating Facility with the Transmission System;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

When used in this Large Generator Interconnection Agreement, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used or the Open Access Transmission Tariff (Tariff).

Article 1. Definitions

Adverse System Impact shall mean the negative effects due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.

Affected System shall mean an electric system other than the Transmission Provider's Transmission System that may be affected by the

proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

Affiliate shall mean, with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

Ancillary Services shall mean those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Council shall mean the reliability council applicable to the Transmission System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Transmission System to which the Generating Facility is directly interconnected.

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies by the Transmission Provider or Interconnection Customer.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the Large Generator Interconnection Agreement.

Breaching Party shall mean a Party that is in Breach of the Large Generator Interconnection Agreement.

Business Day shall mean Monday through Friday, excluding Federal Holidays.

Calendar Day shall mean any day including Saturday, Sunday or a

Federal Holiday.

Clustering shall mean the process whereby a group of Interconnection Requests is studied together, instead of serially, for the purpose of conducting the Interconnection System Impact Study.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Large Generator Interconnection Agreement.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Control Area shall mean an electrical system or systems bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the interconnection. A Control Area must be certified by the Applicable Reliability Council.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Large Generator Interconnection Agreement.

Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution System shall mean the Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

Distribution Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the

Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which the Large Generator Interconnection Agreement becomes effective upon execution by the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of a Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Transmission Provider's Transmission System, Transmission Provider's Interconnection Facilities or the electric systems of others to which the Transmission Provider's Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by the Large Generator Interconnection Agreement to possess black start capability.

Energy Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to connect its Generating Facility to the Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or nonfirm capacity of the Transmission Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

Engineering & Procurement (E&P) Agreement shall mean an agreement that authorizes the Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act shall mean the Federal Power Act, as amended, 16

U.S.C. §§ 791a et seq.

FERC shall mean the Federal Energy Regulatory Commission (Commission) or its successor.

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility shall mean Interconnection Customer's device for the production of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Generating Facility Capacity shall mean the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.

Good Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer, Transmission Provider, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances,"

"radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Transmission Provider's Interconnection Facilities to obtain back feed power.

Interconnection Customer shall mean any entity, including the Transmission Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the Transmission Provider's Transmission System. Where the Interconnection Customer and the Transmission Provider are the same entity, application of the following provisions set forth herein is not required: provisions governing the posting of security (in Articles 5 and 11), provisions governing taxes and reimbursements for tax liability (in Article 5), provisions governing indemnity, consequential damages and insurance (in Article 18), and provisions governing billing and payment (in Articles 12 and 15) (invoices are not required, but may be generated and tendered for administrative use to aid in the identification and accounting of costs).

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean the Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or

Network Upgrades.

Interconnection Facilities Study shall mean a study conducted by the Transmission Provider or a third party consultant for the Interconnection Customer to determine a list of facilities (including Transmission Provider's Interconnection Facilities and Network Upgrades as identified in the Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Transmission Provider's Transmission System. The scope of the study is defined in Section 8 of the Standard Large Generator Interconnection Procedures.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 3 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Facilities Study.

Interconnection Feasibility Study shall mean a preliminary evaluation of the system impact and cost of interconnecting the Generating Facility to the Transmission Provider's Transmission System, the scope of which is described in Section 6 of the Standard Large Generator Interconnection Procedures.

Interconnection Feasibility Study Agreement shall mean the form of agreement contained in Appendix 2 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Feasibility Study.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to the Standard Large Generator Interconnection Procedures, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider's Transmission System.

Interconnection Service shall mean the service provided by the Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Transmission Provider's Transmission System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Large Generator Interconnection Agreement and, if applicable, the Transmission Provider's Tariff.

Interconnection Study shall mean any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study described in the Standard Large Generator Interconnection Procedures.

Interconnection System Impact Study shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of Transmission Provider's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in the Interconnection Feasibility Study, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Standard Large Generator Interconnection Procedures.

Interconnection System Impact Study Agreement shall mean the form of agreement contained in Appendix 3 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection System Impact Study.

IRS shall mean the Internal Revenue Service.

Joint Operating Committee shall be a group made up of representatives from Interconnection Customers and the Transmission Provider to coordinate operating and technical considerations of Interconnection Service.

Large Generating Facility shall mean a Generating Facility having a Generating Facility Capacity of more than 20 MW.

Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non performance of its obligations under the Large Generator Interconnection Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnifying Party.

Material Modification shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Large Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

NERC shall mean the North American Electric Reliability Council or its successor organization.

Network Resource shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Network Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission Provider's Transmission System (1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Facilities connect to the Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Large Generator Interconnection Agreement or its performance.

Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 5 of the Standard Large Generator Interconnection Procedures for conducting the Optional Interconnection Study.

Party or **Parties** shall mean Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the Large Generator Interconnection Agreement, where the Interconnection Customer's Interconnection Facilities connect to the

Transmission Provider's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the Large Generator Interconnection Agreement, where the Interconnection Facilities connect to the Transmission Provider's Transmission System.

Queue Position shall mean the order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by the Transmission Provider.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Large Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Scoping Meeting shall mean the meeting between representatives of the Interconnection Customer and Transmission Provider conducted for the purpose of discussing alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection.

Site Control shall mean documentation reasonably demonstrating: (1) ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Generating Facility; (2) an option to purchase or acquire a leasehold site for such purpose; or (3) an exclusivity or other business relationship between Interconnection Customer and the entity having the right to sell, lease or grant Interconnection Customer the right to possess or occupy a site for such purpose.

Small Generating Facility shall mean a Generating Facility that has a Generating Facility Capacity of no more than 20 MW.

Stand Alone Network Upgrades shall mean Network Upgrades that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Large Generator Interconnection Agreement.

Standard Large Generator Interconnection Agreement (LGIA) shall

mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility that is included in the Transmission Provider's Tariff.

Standard Large Generator Interconnection Procedures (LGIP) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that are included in the Transmission Provider's Tariff.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Transmission Provider's Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Transmission Provider's Transmission System or on other delivery systems or other generating systems to which the Transmission Provider's Transmission System is directly connected.

Tariff shall mean the Transmission Provider's Tariff through which open access transmission service and Interconnection Service are offered, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

Transmission Owner shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Large Generator Interconnection Agreement to the extent necessary. Public Service Company of New Mexico ("PNM") is a co-owner of the 345 kV transmission line on which the Point of Interconnection substation ("Empire Substation") is located. The Empire Substation shall be fully owned by El Paso Electric Company ("EPE"). For purposes of performing interconnection service to Interconnection Customer under this Agreement, EPE shall be considered the Transmission Owner and the Transmission Provider.

Transmission Provider shall mean the public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider. El Paso Electric Company is the Transmission Provider under this Agreement.

Transmission Provider's Interconnection Facilities shall mean all

facilities and equipment owned, controlled or operated by the Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Transmission System shall mean the facilities owned, controlled or operated by the Transmission Provider or Transmission Owner that are used to provide transmission service under the Tariff.

Trial Operation shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

Variable Energy Resource shall mean a device for the production of electricity that is characterized by an energy source that: (1) is renewable; (2) cannot be stored by the facility owner or operator; and (3) has variability that is beyond the control of the facility owner or operator.

Article 2. Effective Date, Term, and Termination

2.1 Effective Date. This LGIA shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC. Transmission Provider shall promptly file this LGIA with FERC upon execution in accordance with Article 3.1, if required.

2.2 Term of Agreement. Subject to the provisions of Article 2.3, this LGIA shall remain in effect for a period of thirty (30) years from the Effective Date and shall be automatically renewed for each successive one-year period thereafter.

2.3 Termination Procedures.

2.3.1 Written Notice. This LGIA may be terminated by Interconnection Customer after giving Transmission Provider ninety (90) Calendar Days advance written notice, or by Transmission Provider notifying FERC after the Generating Facility permanently ceases Commercial Operation.

2.3.2 Default. Either Party may terminate this LGIA in accordance with

Article 17.

2.3.3 Notwithstanding Articles 2.3.1 and 2.3.2, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this LGIA, which notice has been accepted for filing by FERC.

2.4 Termination Costs. If a Party elects to terminate this Agreement pursuant to Article 2.3 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party, as of the date of the other Party's receipt of such notice of termination, that are the responsibility of the Terminating Party under this LGIA. In the event of termination by a Party, the Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this LGIA, unless otherwise ordered or approved by FERC:

2.4.1 With respect to any portion of Transmission Provider's Interconnection Facilities that have not yet been constructed or installed, Transmission Provider shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Transmission Provider shall deliver such material and equipment, and, if necessary, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Transmission Provider for any or all such costs of materials or equipment not taken by Interconnection Customer, Transmission Provider shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by Transmission Provider to cancel any pending orders of or return such materials, equipment, or contracts.

If an Interconnection Customer terminates this LGIA, it shall be responsible for all costs incurred in association with that Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection

Facilities and equipment, and other expenses including any Network Upgrades for which Transmission Provider has incurred expenses and has not been reimbursed by Interconnection Customer.

2.4.2 Transmission Provider may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Transmission Provider shall be responsible for all costs associated with procuring such materials, equipment, or facilities.

2.4.3 With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this LGIA, Interconnection Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

2.5 Disconnection. Upon termination of this LGIA, the Parties will take all appropriate steps to disconnect the Large Generating Facility from the Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the nonterminating Party's Default of this LGIA or such non-terminating Party otherwise is responsible for these costs under this LGIA.

2.6 Survival. This LGIA shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this LGIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this LGIA was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this LGIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

Article 3. Regulatory Filings

3.1 Filing. Transmission Provider shall file this LGIA (and any amendment hereto) with the appropriate Governmental Authority, if required. Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 22. If Interconnection Customer has executed this LGIA, or any amendment thereto, Interconnection Customer shall reasonably cooperate with Transmission Provider with respect to such filing and to provide any information reasonably requested by Transmission Provider needed to comply with applicable regulatory requirements.

Article 4. Scope of Service

4.1 Interconnection Product Options. Interconnection Customer has selected the following (checked) type of Interconnection Service:

√ **4.1.1 Energy Resource Interconnection Service (Selected)**

4.1.1.1 The Product. Energy Resource Interconnection Service allows Interconnection Customer to connect the Large Generating Facility to the Transmission System and be eligible to deliver the Large Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an "as available" basis. To the extent Interconnection Customer wants to receive Energy Resource Interconnection Service, Transmission Provider shall construct facilities identified in Attachment A.

4.1.1.2 Transmission Delivery Service Implications. Under Energy Resource Interconnection Service, Interconnection Customer will be eligible to inject power from the Large Generating Facility into and deliver power across the interconnecting Transmission Provider's Transmission System on an "as available" basis up to the amount of MWs identified in the applicable stability and steady state studies to the extent the upgrades initially required to qualify for Energy Resource Interconnection Service have been constructed. Where eligible to do so (e.g., PJM, ISONE, NYISO), Interconnection Customer may place a bid to sell into the market up to the maximum identified Large Generating Facility output, subject to any conditions specified in the interconnection service approval, and the Large Generating Facility will be dispatched to the extent Interconnection Customer's bid clears. In all other instances, no transmission delivery service from the Large Generating Facility is assured, but Interconnection Customer may obtain Point-to-Point Transmission Service, Network Integration Transmission Service, or be used for secondary network transmission service, pursuant to Transmission

Provider's Tariff, up to the maximum output identified in the stability and steady state studies. In those instances, in order for Interconnection Customer to obtain the right to deliver or inject energy beyond the Large Generating Facility Point of Interconnection or to improve its ability to do so, transmission delivery service must be obtained pursuant to the provisions of Transmission Provider's Tariff. The Interconnection Customer's ability to inject its Large Generating Facility output beyond the Point of Interconnection, therefore, will depend on the existing capacity of Transmission Provider's Transmission System at such time as a transmission service request is made that would accommodate such delivery. The provision of firm Point-to-Point Transmission Service or Network Integration Transmission Service may require the construction of additional Network Upgrades.

4.1.2 Network Resource Interconnection Service.

4.1.2.1 **The Product**. Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility (1) in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an ISO or RTO with market based congestion management, in the same manner as all Network Resources. To the extent Interconnection Customer wants to receive Network Resource Interconnection Service, Transmission Provider shall construct the facilities identified in Attachment A to this LGIA.

4.1.2.2 **Transmission Delivery Service Implications**. Network Resource Interconnection Service allows Interconnection Customer's Large Generating Facility to be designated by any Network Customer under the Tariff on Transmission Provider's Transmission System as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a

designation will occur. Although Network Resource Interconnection Service does not convey a reservation of transmission service, any Network Customer under the Tariff can utilize its network service under the Tariff to obtain delivery of energy from the interconnected Interconnection Customer's Large Generating Facility in the same manner as it accesses Network Resources. A Large Generating Facility receiving Network Resource Interconnection Service may also be used to provide Ancillary Services after technical studies and/or periodic analyses are performed with respect to the Large Generating Facility's ability to provide any applicable Ancillary Services, provided that such studies and analyses have been or would be required in connection with the provision of such Ancillary Services by any existing Network Resource. However, if an Interconnection Customer's Large Generating Facility has not been designated as a Network Resource by any load, it cannot be required to provide Ancillary Services except to the extent such requirements extend to all generating facilities that are similarly situated. The provision of Network Integration Transmission Service or firm Point-to-Point Transmission Service may require additional studies and the construction of additional upgrades. Because such studies and upgrades would be associated with a request for delivery service under the Tariff, cost responsibility for the studies and upgrades would be in accordance with FERC's policy for pricing transmission delivery services. Network Resource Interconnection Service does not necessarily provide Interconnection Customer with the capability to physically deliver the output of its Large Generating Facility to any particular load on Transmission Provider's Transmission System without incurring congestion costs. In the event of transmission constraints on Transmission Provider's Transmission System, Interconnection Customer's Large Generating Facility shall be subject to the applicable congestion management procedures in Transmission Provider's Transmission System in the same manner as Network Resources.

There is no requirement either at the time of study or

interconnection, or at any point in the future, that Interconnection Customer's Large Generating Facility be designated as a Network Resource by a Network Service Customer under the Tariff or that Interconnection Customer identify a specific buyer (or sink). To the extent a Network Customer does designate the Large Generating Facility as a Network Resource, it must do so pursuant to Transmission Provider's Tariff.

Once an Interconnection Customer satisfies the requirements for obtaining Network Resource Interconnection Service, any future transmission service request for delivery from the Large Generating Facility within Transmission Provider's Transmission System of any amount of capacity and/or energy, up to the amount initially studied, will not require that any additional studies be performed or that any further upgrades associated with such Large Generating Facility be undertaken, regardless of whether or not such Large Generating Facility is ever designated by a Network Customer as a Network Resource and regardless of changes in ownership of the Large Generating Facility. However, the reduction or elimination of congestion or redispatch costs may require additional studies and the construction of additional upgrades.

To the extent Interconnection Customer enters into an arrangement for long term transmission service for deliveries from the Large Generating Facility outside Transmission Provider's Transmission System, such request may require additional studies and upgrades in order for Transmission Provider to grant such request.

4.2 **Provision of Service**. Transmission Provider shall provide Interconnection Service for the Large Generating Facility at the Point of Interconnection.

4.3 **Performance Standards**. Each Party shall perform all of its obligations under this LGIA in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this LGIA for its compliance therewith. If such Party is a

Transmission Provider or Transmission Owner, then that Party shall amend the LGIA and submit the amendment to FERC for approval.

4.4 No Transmission Delivery Service. The execution of this LGIA does not constitute a request for, nor the provision of, any transmission delivery service under Transmission Provider's Tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.

4.5 Interconnection Customer Provided Services. The services provided by Interconnection Customer under this LGIA are set forth in Article 9.6 and Article 13.5.1. Interconnection Customer shall be paid for such services in accordance with Article 11.6.

Article 5. Interconnection Facilities Engineering, Procurement, and Construction

5.1 Options. Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either Standard Option or Alternate Option set forth below for completion of Transmission Provider's Interconnection Facilities and Network Upgrades as set forth in Appendix A, Interconnection Facilities and Network Upgrades, and such dates and selected option shall be set forth in Appendix B, Milestones.

5.1.1 Standard Option. Transmission Provider shall design, procure, and construct Transmission Provider's Interconnection Facilities and Network Upgrades, using Reasonable Efforts to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the dates set forth in Appendix B, Milestones. Transmission Provider shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event Transmission Provider reasonably expects that it will not be able to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the specified dates, Transmission Provider shall promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

5.1.2 Alternate Option. If the dates designated by Interconnection Customer are acceptable to Transmission Provider, Transmission

Provider shall so notify Interconnection Customer within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities by the designated dates.

If Transmission Provider subsequently fails to complete Transmission Provider's Interconnection Facilities by the In-Service Date, to the extent necessary to provide back feed power; or fails to complete Network Upgrades by the Initial Synchronization Date to the extent necessary to allow for Trial Operation at full power output, unless other arrangements are made by the Parties for such Trial Operation; or fails to complete the Network Upgrades by the Commercial Operation Date, as such dates are reflected in Appendix B, Milestones; Transmission Provider shall pay Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by Interconnection Customer shall be extended day for day for each day that the applicable RTO or ISO refuses to grant clearances to install equipment.

5.1.3 Option to Build. If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days, and unless the Parties agree otherwise, Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades on the dates specified in Article 5.1.2. Transmission Provider and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A. Except for Stand Alone Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option.

5.1.4 Negotiated Option. If Interconnection Customer elects not to exercise its option under Article 5.1.3, Option to Build, Interconnection Customer shall so notify Transmission Provider within thirty (30) Calendar Days, and the Parties shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates and liquidated damages, the provision of incentives or the procurement and construction of a portion of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades by Interconnection Customer) pursuant to which

Transmission Provider is responsible for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Network Upgrades. If the Parties are unable to reach agreement on such terms and conditions, Transmission Provider shall assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Network Upgrades pursuant to 5.1.1, Standard Option.

5.2 General Conditions Applicable to Option to Build. If Interconnection Customer assumes responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades,

(1) Interconnection Customer shall engineer, procure equipment, and construct Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by Transmission Provider;

(2) Interconnection Customer's engineering, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of law to which Transmission Provider would be subject in the engineering, procurement or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;[1]

(3) Transmission Provider shall review and approve the engineering design, equipment acceptance tests, and the construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(4) prior to commencement of construction, Interconnection Customer shall provide to Transmission Provider a schedule for construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for information from Transmission Provider;

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[1] Interconnection Customer and Transmission Provider entered into an Engineering and Procurement Agreement dated November 7, 2018 ("2018 Engineering and Procurement Agreement") under which engineering, design and procurement activities have begun. As such activities continue under this Agreement, the Interconnection Customer and Transmission Provider have agreed to follow the protocols and requirements that are in the 2018 Engineering and Procurement Agreement.

(5) at any time during construction, Transmission Provider shall have the right to gain unrestricted access to Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;

(6) at any time during construction and for a period of three (3) years following Interconnection Customer's transfer to Transmission Provider of Transmission Provider's Interconnection Facilities, Stand Alone Network Upgrades, and the land rights on which such facilities are located, should any phase of the engineering, equipment procurement, or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by Transmission Provider, Interconnection Customer shall be obligated to remedy deficiencies in that portion of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;[2]

(7) Interconnection Customer shall indemnify Transmission Provider for claims arising from Interconnection Customer's construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades under the terms and procedures applicable to Article 18.1 Indemnity;

(8) Interconnection Customer shall transfer control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to Transmission Provider;

(9) Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Transmission Provider's Interconnection Facilities and Stand-Alone Network Upgrades to Transmission Provider;

(10) Transmission Provider shall approve and accept for operation and maintenance Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to the extent engineered, procured, and constructed in accordance with this Article 5.2; and

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[2] Any liability, loss or damages alleged by the owner(s) of the property on which the Transmission Provider's Interconnection Facilities and/or Stand-Alone Network Upgrades are located, associated with the activities of Interconnection Customer, shall remain the responsibility of the Interconnection Customer. Transmission Provider does not accept or assume responsibility for any liability, loss or damages associated with the Interconnection Customer's activities, including any liability, loss or damages alleged by property owners.

(11) Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information, and any other documents that are reasonably required by Transmission Provider to assure that the Interconnection Facilities and Stand Alone Network Upgrades are built to the standards and specifications required by Transmission Provider.

5.3 Liquidated Damages. The actual damages to Interconnection Customer, in the event Transmission Provider's Interconnection Facilities or Network Upgrades are not completed by the dates designated by Interconnection Customer and accepted by Transmission Provider pursuant to subparagraphs 5.1.2 or 5.1.4, above, may include Interconnection Customer's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of such uncertainty, any liquidated damages paid by Transmission Provider to Interconnection Customer in the event that Transmission Provider does not complete any portion of Transmission Provider's Interconnection Facilities or Network Upgrades by the applicable dates, shall be an amount equal to ½ of 1 percent per day of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades, in the aggregate, for which Transmission Provider has assumed responsibility to design, procure and construct.

However, in no event shall the total liquidated damages exceed 20 percent of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades for which Transmission Provider has assumed responsibility to design, procure, and construct. The foregoing payments will be made by Transmission Provider to Interconnection Customer as just compensation for the damages caused to Interconnection Customer, which actual damages are uncertain and impossible to determine at this time, and as reasonable liquidated damages, but not as a penalty or a method to secure performance of this LGIA. Liquidated damages, when the Parties agree to them, are the exclusive remedy for the Transmission Provider's failure to meet its schedule.

No liquidated damages shall be paid to Interconnection Customer if: (1) Interconnection Customer is not ready to commence use of Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for the Large Generating Facility's Trial Operation or to export power from the Large Generating Facility on the specified dates, unless Interconnection Customer would have been able to commence use of Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for Large Generating Facility's Trial Operation

or to export power from the Large Generating Facility, but for Transmission Provider's delay; (2) Transmission Provider's failure to meet the specified dates is the result of the action or inaction of Interconnection Customer or any other Interconnection Customer who has entered into an LGIA with Transmission Provider or any cause beyond Transmission Provider's reasonable control or reasonable ability to cure; (3) the Interconnection Customer has assumed responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades; or (4) the Parties have otherwise agreed.

5.4 Power System Stabilizers. The Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with the guidelines and procedures established by the Applicable Reliability Council. Transmission Provider reserves the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative. The requirements of this paragraph shall not apply to wind generators.

5.5 Equipment Procurement. If responsibility for construction of Transmission Provider's Interconnection Facilities or Network Upgrades is to be borne by Transmission Provider, then Transmission Provider shall commence design of Transmission Provider's Interconnection Facilities or Network Upgrades and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

5.5.1 Transmission Provider has completed the Facilities Study pursuant to the Facilities Study Agreement;

5.5.2 Transmission Provider has received written authorization to proceed with design and procurement from Interconnection Customer by the date specified in Appendix B, Milestones; and

5.5.3 Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.6 Construction Commencement. Transmission Provider shall commence construction of Transmission Provider's Interconnection Facilities and

Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:

5.6.1 Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;

5.6.2 Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of Transmission Provider's Interconnection Facilities and Network Upgrades;

5.6.3 Transmission Provider has received written authorization to proceed with construction from Interconnection Customer by the date specified in Appendix B, Milestones; and

5.6.4 Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.7 Work Progress. The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, at any time, request a progress report from the other Party. If, at any time, Interconnection Customer determines that the completion of Transmission Provider's Interconnection Facilities will not be required until after the specified In-Service Date, Interconnection Customer will provide written notice to Transmission Provider of such later date upon which the completion of Transmission Provider's Interconnection Facilities will be required.

5.8 Information Exchange. As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with Transmission Provider's Transmission System, and shall work diligently and in good faith to make any necessary design changes.

5.9 Limited Operation. If any of Transmission Provider's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Large Generating Facility, Transmission Provider shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Large Generating Facility and Interconnection Customer's Interconnection Facilities may operate prior to

the completion of Transmission Provider's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA. Transmission Provider shall permit Interconnection Customer to operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.

5.10 Interconnection Customer's Interconnection Facilities ('ICIF'). Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.10.1 Interconnection Customer's Interconnection Facility Specifications. Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Transmission Provider at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. Transmission Provider shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

5.10.2 Transmission Provider's Review. Transmission Provider's review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be required by Transmission Provider, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider.

5.10.3 ICIF Construction. The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information and documents for the ICIF, such as: a one-line diagram, a site plan showing the Large Generating Facility and the ICIF, plan and elevation drawings showing the layout of the

ICIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with Interconnection Customer's step-up transformers, the facilities connecting the Large Generating Facility to the step-up transformers and the ICIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Large Generating Facility. The Interconnection Customer shall provide Transmission Provider specifications for the excitation system, automatic voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

5.11 Transmission Provider's Interconnection Facilities Construction. Transmission Provider's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Transmission Provider shall deliver to Interconnection Customer the following "as-built" drawings, information and documents for Transmission Provider's Interconnection Facilities (include appropriate drawings and relay diagrams).

Transmission Provider will obtain control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities.

5.12 Access Rights. Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish at no cost to the other Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large Generating Facility with the Transmission System; (ii) operate and maintain the Large Generating Facility, the Interconnection Facilities and the Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this LGIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.

5.13 Lands of Other Property Owners. If any part of Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or Transmission Provider or Transmission Owner, Transmission Provider or Transmission Owner shall at Interconnection Customer's expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades upon such property. The Interconnection Customer has secured land rights to the property on which the following facilities are to be located: the Large Generating Facility, the Interconnection Customer Interconnection Facilities (which span approximately 35 miles), the Transmission Provider Interconnection Facilities, and a new substation (Empire Substation) that will house Network Upgrades, Stand-Alone Network Upgrades and may also house certain Transmission Provider Interconnection Facilities.[3] The interconnection service provided for in the instant Agreement requires the tie-in of Transmission Provider's existing Amrad-to-Eddy 345 kV transmission line to the Empire Substation, and activities performed under this Agreement will require certain access to land owned by the United States government. Transmission Provider and Interconnection Customer are to agree on how best to secure land rights necessary to effectuate the Interconnection Customer's exercise of its Option to Build in a manner that is in accordance with the rights and obligations of Transmission Provider under the grant(s) of land and access rights it has in place with the United States government and other third parties. Any land rights secured by Interconnection Customer associated with facilities on the Transmission Provider's side of the Point of Change of Ownership ("PCO") are to be permanently transferred by Interconnection Customer to Transmission Provider before interconnection service begins, at a date (or dates) specified by the Transmission Provider.[4] The land rights transferred to

[3] The control building at the site of the Empire Substation may also house certain Interconnection Customer equipment, such as relays associated with the gen-tie breaker(s) of Interconnection Customer. Relays and other protection system equipment associated with the gen-tie breaker(s) of Interconnection Customer are to be owned and maintained by Interconnection Customer, and Interconnection Customer shall adhere to governing NERC Standards in performing testing and maintenance activities.

[4] In addition, temporary access rights are to be tendered by Interconnection Customer to Transmission Provider necessary to permit Transmission Provider to perform its work associated with the installation of Network Upgrades (other than Stand Alone Network Upgrades), as set forth in Appendix B.

Transmission Provider must include land rights to access roads necessary to permit Transmission Provider's access to the Empire Substation and Transmission Provider Interconnection Facilities for operation, maintenance and the performance of responsibilities of Transmission Provider under this Agreement and governing laws, regulations and other agreements and authorities. With respect to any relays or other Interconnection Customer protection system-related equipment housed at the Empire Substation control building, Transmission Provider will permit necessary and appropriate access to the Interconnection Customer to permit the Interconnection Customer to perform maintenance, testing and other activities necessary for Interconnection Customer's compliance with NERC Reliability Standards and any other governing standards and requirements.

5.14 Permits. Transmission Provider or Transmission Owner and Interconnection Customer shall cooperate with each other in good faith in obtaining all permits, licenses and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. With respect to this paragraph, Transmission Provider or Transmission Owner shall provide permitting assistance to Interconnection Customer comparable to that provided to Transmission Provider's own, or an Affiliate's generation.

5.15 Early Construction of Base Case Facilities. Interconnection Customer may request Transmission Provider to construct, and Transmission Provider shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Network Upgrades required for Interconnection Customer to be interconnected to the Transmission System which are included in the Base Case of the Facilities Study for Interconnection Customer, and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.

5.16 Suspension. Interconnection Customer reserves the right, upon written notice to Transmission Provider, to suspend at any time all work by Transmission Provider associated with the construction and installation of Transmission Provider's Interconnection Facilities and/or Network Upgrades required under this LGIA with the condition that Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Transmission Provider's safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Transmission Provider (i) has

incurred pursuant to this LGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Transmission Provider cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Transmission Provider shall obtain Interconnection Customer's authorization to do so.

Transmission Provider shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by Transmission Provider required under this LGIA pursuant to this Article 5.16, and has not requested Transmission Provider to recommence the work required under this LGIA on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Transmission Provider, if no effective date is specified.

5.17 Taxes.

5.17.1 Interconnection Customer Payments Not Taxable. The Parties intend that all payments or property transfers made by Interconnection Customer to Transmission Provider for the installation of Transmission Provider's Interconnection Facilities and the Network Upgrades shall be non-taxable, either as contributions to capital, or as an advance, in accordance with the Internal Revenue Code and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the Internal Revenue Code and any applicable state income tax laws.

5.17.2 Representations and Covenants. In accordance with IRS Notice 2001-82 and IRS Notice 88-129, Interconnection Customer represents and covenants that (i) ownership of the electricity generated at the Large Generating Facility will pass to another party prior to the transmission of the electricity on the Transmission System, (ii) for income tax purposes, the amount of any payments and the cost of any property

transferred to Transmission Provider for Transmission Provider's Interconnection Facilities will be capitalized by Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of Transmission Provider's Interconnection Facilities that is a "dual-use intertie," within the meaning of IRS Notice 88-129, is reasonably expected to carry only a de minimis amount of electricity in the direction of the Large Generating Facility. For this purpose, "de minimis amount" means no more than 5 percent of the total power flows in both directions, calculated in accordance with the "5 percent test" set forth in IRS Notice 88-129. This is not intended to be an exclusive list of the relevant conditions that must be met to conform to IRS requirements for non-taxable treatment.

At Transmission Provider's request, Interconnection Customer shall provide Transmission Provider with a report from an independent engineer confirming its representation in clause (iii), above. Transmission Provider represents and covenants that the cost of Transmission Provider's Interconnection Facilities paid for by Interconnection Customer will have no net effect on the base upon which rates are determined.

5.17.3 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon the Transmission Provider. Notwithstanding Article 5.17.1, Interconnection Customer shall protect, indemnify and hold harmless Transmission Provider from the cost consequences of any current tax liability imposed against Transmission Provider as the result of payments or property transfers made by Interconnection Customer to Transmission Provider under this LGIA for Interconnection Facilities, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Transmission Provider.

Transmission Provider shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection Customer under this LGIA unless (i) Transmission Provider has determined, in good faith, that the payments or property transfers made by Interconnection Customer to Transmission Provider should be reported as income subject to taxation or (ii) any Governmental Authority

directs Transmission Provider to report payments or property as income subject to taxation; provided, however, that Transmission Provider may require Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to Transmission Provider (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 5.17. Interconnection Customer shall reimburse Transmission Provider for such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within thirty (30) Calendar Days of receiving written notification from Transmission Provider of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten year testing period and the applicable statute of limitation, as it may be extended by Transmission Provider upon request of the IRS, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 5.17.

5.17.4 **Tax Gross-Up Amount**. Interconnection Customer's liability for the cost consequences of any current tax liability under this Article 5.17 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that Interconnection Customer will pay Transmission Provider, in addition to the amount paid for the Interconnection Facilities and Network Upgrades, an amount equal to (1) the current taxes imposed on Transmission Provider ("Current Taxes") on the excess of (a) the gross income realized by Transmission Provider as a result of payments or property transfers made by Interconnection Customer to Transmission Provider under this LGIA (without regard to any payments under this Article 5.17) (the "Gross Income Amount") over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the "Present Value Depreciation Amount"), plus (2) an additional amount sufficient to permit Transmission Provider to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1).

For this purpose, (i) Current Taxes shall be computed based on Transmission Provider's composite federal and state tax rates at the time the payments or property transfers are received and Transmission Provider will be treated as being subject to tax at the highest marginal rates in effect at that time (the "Current Tax Rate"), and (ii) the Present Value Depreciation Amount shall be computed by discounting Transmission Provider's anticipated tax depreciation deductions as a result of such payments or property transfers by Transmission Provider's current weighted average cost of capital. Thus, the formula for calculating Interconnection Customer's liability to Transmission Owner pursuant to this Article 5.17.4 can be expressed as follows: (Current Tax Rate x (Gross Income Amount - Present Value of Tax Depreciation))/(1Current Tax Rate). Interconnection Customer's estimated tax liability in the event taxes are imposed shall be stated in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.17.5 **Private Letter Ruling or Change or Clarification of Law**. At Interconnection Customer's request and expense, Transmission Provider shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Interconnection Customer to Transmission Provider under this LGIA are subject to federal income taxation. Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Interconnection Customer's knowledge. Transmission Provider and Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

Transmission Provider shall keep Interconnection Customer fully informed of the status of such request for a private letter ruling and shall execute either a privacy act waiver or a limited power of attorney, in a form acceptable to the IRS, that authorizes Interconnection Customer to participate in all discussions with the IRS regarding such request for a private letter ruling. Transmission Provider shall allow Interconnection Customer to attend all meetings with IRS officials about the request and shall permit Interconnection

Customer to prepare the initial drafts of any follow-up letters in connection with the request.

5.17.6 **Subsequent Taxable Events**. If, within 10 years from the date on which the relevant Transmission Provider's Interconnection Facilities are placed in service, (i) Interconnection Customer Breaches the covenants contained in Article 5.17.2, (ii) a "disqualification event" occurs within the meaning of IRS Notice 88-129, or (iii) this LGIA terminates and Transmission Provider retains ownership of the Interconnection Facilities and Network Upgrades, Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on Transmission Provider, calculated using the methodology described in Article 5.17.4 and in accordance with IRS Notice 90-60.

5.17.7 **Contests**. In the event any Governmental Authority determines that Transmission Provider's receipt of payments or property constitutes income that is subject to taxation, Transmission Provider shall notify Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by Interconnection Customer and at Interconnection Customer's sole expense, Transmission Provider may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Interconnection Customer's written request and sole expense, Transmission Provider may file a claim for refund with respect to any taxes paid under this Article 5.17, whether or not it has received such a determination. Transmission Provider reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but Transmission Provider shall keep Interconnection Customer informed, shall consider in good faith suggestions from Interconnection Customer about the conduct of the contest, and shall reasonably permit Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider,

Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement or other contest. At any time during the contest, Transmission Provider may agree to a settlement either with Interconnection Customer's consent or after obtaining written advice from nationally-recognized tax counsel, selected by Transmission Provider, but reasonably acceptable to Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation.

Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully grossed-up bases to cover any related cost consequences of the current tax liability. Any settlement without Interconnection Customer's consent or such written advice will relieve Interconnection Customer from any obligation to indemnify Transmission Provider for the tax at issue in the contest.

5.17.8 **Refund**. In the event that (a) a private letter ruling is issued to Transmission Provider which holds that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Provider under the terms of this LGIA is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Transmission Provider in good faith that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Provider under the terms of this LGIA is not taxable to Transmission Provider, (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by Interconnection Customer to Transmission Provider are not subject to federal income tax, or (d) if Transmission Provider receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by Interconnection Customer to Transmission Provider pursuant to this LGIA, Transmission Provider shall promptly refund to Interconnection Customer the following:

(i) any payment made by Interconnection Customer under this Article 5.17 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon,

(ii) interest on any amounts paid by Interconnection Customer to Transmission Provider for such taxes which Transmission Provider did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC's regulations at 18 CFR §35.19a(a)(2)(iii) from the date payment was made by Interconnection Customer to the date Transmission Provider refunds such payment to Interconnection Customer, and

(iii) with respect to any such taxes paid by Transmission Provider, any refund or credit Transmission Provider receives or to which it may be entitled from any Governmental Authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to Transmission Provider for such overpayment of taxes (including any reduction in interest otherwise payable by Transmission Provider to any Governmental Authority resulting from an offset or credit); provided, however, that Transmission Provider will remit such amount promptly to Interconnection Customer only after and to the extent that Transmission Provider has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to Transmission Provider's Interconnection Facilities.

The intent of this provision is to leave the Parties, to the extent practicable, in the event that no taxes are due with respect to any payment for Interconnection Facilities and Network Upgrades hereunder, in the same position they would have been in had no such tax payments been made.

5.17.9 Taxes Other Than Income Taxes. Upon the timely request by Interconnection Customer, and at Interconnection Customer's sole expense, Transmission Provider may appeal, protest, seek abatement of, or otherwise contest any tax

(other than federal or state income tax) asserted or assessed against Transmission Provider for which Interconnection Customer may be required to reimburse Transmission Provider under the terms of this LGIA. Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Interconnection Customer and Transmission Provider shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Interconnection Customer to Transmission Provider for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Transmission Provider.

5.17.10 Transmission Owners Who Are Not Transmission Providers. If Transmission Provider is not the same entity as the Transmission Owner, then (i) all references in this Article 5.17 to Transmission Provider shall be deemed also to refer to and to include the Transmission Owner, as appropriate, and (ii) this LGIA shall not become effective until such Transmission Owner shall have agreed in writing to assume all of the duties and obligations of Transmission Provider under this Article 5.17 of this LGIA.

5.18 Tax Status. Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this LGIA is intended to adversely affect any Transmission Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds.

5.19 Modification.

5.19.1 General. Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide to the other Party sufficient information regarding such modification so that the other Party may evaluate the potential impact of such modification prior to

commencement of the work. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Large Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

In the case of Large Generating Facility modifications that do not require Interconnection Customer to submit an Interconnection Request, Transmission Provider shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the Transmission System, Transmission Provider's Interconnection Facilities or Network Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

5.19.2 **Standards**. Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this LGIA and Good Utility Practice.

5.19.3 **Modification Costs**. Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that Transmission Provider makes to Transmission Provider's Interconnection Facilities or the Transmission System to facilitate the interconnection of a third party to Transmission Provider's Interconnection Facilities or the Transmission System, or to provide transmission service to a third party under Transmission Provider's Tariff. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to Interconnection Customer's Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer's Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

Article 6. Testing and Inspection

6.1 Pre-Commercial Operation Date Testing and Modifications. Prior to the Commercial Operation Date, Transmission Provider shall test Transmission Provider's Interconnection Facilities and Network Upgrades and Interconnection Customer shall test the Large Generating Facility and Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection Customer shall generate test energy at the Large Generating Facility only if it has arranged for the delivery of such test energy. Interconnection Customer's testing of the Large Generating Facility requires coordination with Transmission Provider. Testing must occur at a time acceptable to the Transmission Provider. Transmission Provider will indicate its acceptance, in writing, to the Interconnection Customer.

6.2 Post-Commercial Operation Date Testing and Modifications. Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Large Generating Facility with the Transmission System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice. Relays and other System Protection Facilities of Interconnection Customer and any other equipment or facilities of the Interconnection Customer (even if housed within Transmission Provider's control building or other Transmission Provider facilities on the Transmission Provider's side of the PCO) shall be tested and maintained by Interconnection Customer at Interconnection Customer's expense in satisfaction of NERC Reliability Standards. Transmission Provider assumes no role or responsibility for compliance with NERC Reliability Standards for Interconnection Customer's equipment or facilities at Transmission Provider's control building or at Interconnection Customer's own generating facility substation.

6.3 Right to Observe Testing. Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.

6.4 Right to Inspect. Each Party shall have the right, but shall have no obligation to: (i) observe the other Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; (ii) review the settings of the other Party's System Protection Facilities and other protective equipment; and (iii) review the other Party's maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. For any Interconnection Customer equipment or facilities housed within Transmission Provider's control building or other Transmission Provider facilities, Interconnection Customer shall promptly provide Transmission Provider, upon request, documentation demonstrating compliance with NERC Reliability Standards in connection with any such equipment or facilities of Interconnection Customer. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be deemed to be Confidential Information and treated pursuant to Article 22 of this LGIA.

Article 7. Metering

7.1 General. Each Party shall comply with the Applicable Reliability Council requirements. Unless otherwise agreed by the Parties, Transmission Provider shall install Metering Equipment at the Point of Interconnection prior to any operation of the Large Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Large Generating Facility shall be measured at or, at Transmission Provider's option, compensated to, the Point of Interconnection. Transmission Provider shall provide metering quantities, in analog and/or digital form, to Interconnection Customer upon request. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.

7.2 Check Meters. Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check Transmission Provider's meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of

this LGIA, except as provided in Article 7.4 below. The check meters shall be subject at all reasonable times to inspection and examination by Transmission Provider or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.

7.3 Standards. Transmission Provider shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards.

7.4 Testing of Metering Equipment. Transmission Provider shall inspect and test all Transmission Provider-owned Metering Equipment upon installation and at least once every two (2) years thereafter. If requested to do so by Interconnection Customer, Transmission Provider shall, at Interconnection Customer's expense, inspect or test Metering Equipment more frequently than every two (2) years. Transmission Provider shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer's expense, in order to provide accurate metering, unless the inaccuracy or defect is due to Transmission Provider's failure to maintain, then Transmission Provider shall pay. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than two percent from the measurement made by the standard meter used in the test, Transmission Provider shall adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using Interconnection Customer's check meters, if installed. If no such check meters are installed or if the period cannot be reasonably ascertained, the adjustment shall be for the period immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last previous test of the Metering Equipment.

7.5 Metering Data. At Interconnection Customer's expense, the metered data shall be telemetered to one or more locations designated by Transmission Provider and one or more locations designated by Interconnection Customer. Such telemetered data shall be used, under normal operating conditions, as the official measurement of the amount of energy delivered from the Large Generating Facility to the Point of Interconnection.

Article 8. Communications

8.1 Interconnection Customer Obligations. Interconnection Customer shall

maintain satisfactory operating communications with Transmission Provider's Transmission System dispatcher or representative designated by Transmission Provider. Interconnection Customer shall provide standard voice line, dedicated voice line and facsimile communications at its Large Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to Transmission Provider as set forth in Appendix D, Security Arrangements Details. The data circuit(s) shall extend from the Large Generating Facility to the location(s) specified by Transmission Provider. Any required maintenance of such communications equipment shall be performed by Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.

8.2 **Remote Terminal Unit**. Prior to the Initial Synchronization Date of the Large Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by Transmission Provider at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Transmission Provider through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The communication protocol for the data circuit(s) shall be specified by Transmission Provider. Instantaneous bidirectional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by Transmission Provider.

Each Party will promptly advise the other Party if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.

8.3 **No Annexation**. Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties. With respect to any equipment installed to effectuate Interconnection Customer's desired dynamic transfer of Large Generating Facility output to the Balancing

Authority Area of Tucson Electric Power Company, Interconnection Customer shall own and maintain the equipment, and shall be responsible for NERC Reliability Standard compliance without regard to whether any such equipment is installed on Transmission Provider's premises.

8.4 Provision of Data from a Variable Energy Resource. The Interconnection Customer whose Generating Facility is a Variable Energy Resource shall provide meteorological and forced outage data to the Transmission Provider to the extent necessary for the Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The Interconnection Customer with a Variable Energy Resource having wind as the energy source, at a minimum, will be required to provide the Transmission Provider with site-specific meteorological data including: temperature, wind speed, wind direction, and atmospheric pressure. The Interconnection Customer with a Variable Energy Resource having solar as the energy source, at a minimum, will be required to provide the Transmission Provider with site-specific meteorological data including: temperature, atmospheric pressure, and irradiance. The Transmission Provider and Interconnection Customer whose Generating Facility is a Variable Energy Resource shall mutually agree to any additional meteorological data that are required for the development and deployment of a power production forecast. The Interconnection Customer whose Generating Facility is a Variable Energy Resource also shall submit data to the Transmission Provider regarding all forced outages to the extent necessary for the Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The exact specifications of the meteorological and forced outage data to be provided by the Interconnection Customer to the Transmission Provider, including the frequency and timing of data submittals, shall be made taking into account the size and configuration of the Variable Energy Resource, its characteristics, location, and its importance in maintaining generation resource adequacy and transmission system reliability in its area. All requirements for meteorological and forced outage data must be commensurate with the power production forecasting employed by the Transmission Provider. Such requirements for meteorological and forced outage data are set forth in Appendix C, Interconnection Details, of this LGIA, as they may change from time to time.

Article 9. Operations

9.1 General. Each Party shall comply with the Applicable Reliability Council requirements. Each Party shall provide to the other Party all information

that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

9.2 Control Area Notification. At least three months before Initial Synchronization Date, Interconnection Customer shall notify Transmission Provider in writing of the Control Area in which the Large Generating Facility will be located. If Interconnection Customer elects to locate the Large Generating Facility in a Control Area other than the Control Area in which the Large Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this LGIA, and remote Control Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the other Control Area.

9.3 Transmission Provider Obligations. Transmission Provider shall cause the Transmission System and Transmission Provider's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA. Transmission Provider may provide operating instructions to Interconnection Customer consistent with this LGIA and Transmission Provider's operating protocols and procedures as they may change from time to time. Transmission Provider will consider changes to its operating protocols and procedures proposed by Interconnection Customer.

9.4 Interconnection Customer Obligations. Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA. Interconnection Customer shall operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Control Area of which it is part, as such requirements are set forth in Appendix C, Interconnection Details, of this LGIA. Appendix C, Interconnection Details, will be modified to reflect changes to the requirements as they may change from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this LGIA.

9.5 Start-Up and Synchronization. Consistent with the Parties' mutually acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Large Generating Facility to Transmission Provider's Transmission System.

9.6 Reactive Power and Primary Frequency Response: See also Appendix G for additional provisions.

9.6.1 Power Factor Design Criteria.

9.6.1.1 Synchronous Generation. Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established different requirements that apply to all generators in the Control Area on a comparable basis.

9.6.1.2 Non-Synchronous Generation. Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery to the Point of Interconnection at continuous rated power output at a power factor within the range of 0.95 leading to 0.95 lagging at the Point of Interconnection. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.). This requirement shall apply to Interconnection Customer's Large Generating Facility. Transmission Provider may request of Interconnection Customer during the term of this Agreement evidence of continued satisfaction of the power factor range requirement at the Point of Interconnection. Interconnection Customer promptly shall provide such evidence, if requested. To the extent that Transmission Provider has the capability to independently monitor at the Point of Interconnection the Interconnection Customer's power range, it shall be free to do so, and may alert the Interconnection Customer to any deviations it identifies.

9.6.2 Voltage Schedules. Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Transmission Provider shall require Interconnection Customer to operate the Large Generating Facility to produce or absorb reactive power within the design limitations of the Large

Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). Transmission Provider's voltage schedules shall treat all sources of reactive power in the Control Area in an equitable and not unduly discriminatory manner. Transmission Provider shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one (1) day in advance, and may make changes to such schedules as necessary to maintain the reliability of the Transmission System. Interconnection Customer shall operate the Large Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the System Operator.

9.6.2.1 **Voltage Regulators**. Whenever the Large Generating Facility is operated in parallel with the Transmission System and voltage regulators are capable of operation, Interconnection Customer shall operate the Large Generating Facility with its voltage regulators in automatic operation. If the Large Generating Facility's voltage regulators are not capable of such automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative, and ensure that such Large Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Large Generating Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the Transmission System or trip any generating unit comprising the Large Generating Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators in the Control Area on a comparable basis.

9.6.3 Payment for Reactive Power. Transmission Provider is required to pay Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Large Generating Facility when Transmission Provider requests

Interconnection Customer to operate its Large Generating Facility outside the range specified in Article 9.6.1 and Appendix G, provided that if Transmission Provider pays its own or affiliated generators for reactive power service within the specified range, it must also pay Interconnection Customer. Payments shall be pursuant to Article 11.6 or such other agreement to which the Parties have otherwise agreed.

9.6.4 Primary Frequency Response. Interconnection Customer shall ensure the primary frequency response capability of its Large Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term "functioning governor or equivalent controls" as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Large Generating Facility's real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop and ±0.036 Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from an approved NERC Reliability Standard providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Large Generating Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Large Generating Facility's real power output in response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected change in the Large Generating Facility's real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify Transmission Provider that the primary frequency response capability of the Large

Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Interconnection Customer shall operate the Large Generating Facility consistent with the provisions specified in Sections 9.6.4.1 and 9.6.4.2 and elsewhere within this Agreement, including Appendix G. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Large Generating Facilities. Transmission Provider and Interconnection Customer are discussing the potential for the output of the Large Generating Facility to be made subject to a pseudo tie arrangement into the Balancing Authority Area of Tucson Electric Power Company. If a pseudo tie arrangement acceptable to Transmission Provider and Tucson Electric Power Company is developed, Transmission Provider may conclude that all or part of the frequency response requirements imposed on the Interconnection Customer under this Agreement, with the exception of frequency ride-through requirements identified in section 9.7.3 , can be eliminated, in which case, Transmission Provider and Interconnection Customer would mutually agree on an amendment to this Agreement pursuant to Article 30.10.[5]

9.6.4.1 Governor or Equivalent Controls. Whenever the Large Generating Facility is operated in parallel with the Transmission System, Interconnection Customer shall operate the Large Generating Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall: (1) in coordination with Transmission Provider and/or the relevant balancing authority, set the deadband parameter to: (1) a maximum of ±0.036 Hz and set the droop parameter to a maximum of 5 percent;[6] or (2) implement the relevant droop and deadband settings from an approved NERC Reliability Standard that provides for equivalent or more stringent parameters.

[5] Any such amendment would include a requirement that Tucson Electric Power Company install its own microwave or other equipment for the communication of real-time data between the Large Generating Facility and the Tucson Electric Power Company Balancing Authority Area.

[6] This response must be timely and sustained rather than injected for a short period and then withdrawn. The Large Generating Facility shall respond to overfrequency excursion events outside the deadband by reducing active power output in accordance with the 5 percent droop specification. Permanent droop shall be based on the maximum MW capability of the Large Generating Facility, and not on available MW capability.

Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to Transmission Provider and/or the relevant balancing authority upon request. If Interconnection Customer needs to operate the Large Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify Transmission Provider and the relevant balancing authority, and provide both with the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to keep outages of the Large Generating Facility's governor or equivalent controls to a minimum whenever the Large Generating Facility is operated in parallel with the Transmission System.

9.6.4.2 **Timely and Sustained Response.** Interconnection Customer shall ensure that the Large Generating Facility's real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Large Generating Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Large Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls.

See Appendix G for additional provisions governing the Large Generating Facility's response requirements. A Commission-approved Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

9.6.4.3 **Exemptions**. Large Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Sections 9.6.4, 9.6.4.1, and 9.6.4.2 of this Agreement. Large Generating Facilities that are behind the meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in Section 9.6.4, but shall be otherwise exempt from the operating requirements in Sections 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.4 of this Agreement.

9.6.4.4 **Electric Storage Resources**. Interconnection Customer interconnecting an electric storage resource shall establish an operating range in Appendix C of its LGIA that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Sections 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.3 of this Agreement. Appendix C shall specify whether the operating range is static or dynamic, and shall consider (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by Transmission Provider and

Interconnection Customer, and in consultation with the relevant transmission owner or balancing authority as appropriate. If the operating range is dynamic, then Appendix C must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with Section 9.6.4.2 of this Agreement when it is online and dispatched to inject electricity to the Transmission System and/or receive electricity from the Transmission System. This excludes circumstances when the electric storage resource is not dispatched to inject electricity to the Transmission System and/or dispatched to receive electricity from the Transmission System. If Interconnection Customer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Interconnection Customer's electric storage resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

9.7 Outages and Interruptions.

9.7.1 Outages.

9.7.1.1 Outage Authority and Coordination. Each Party may in accordance with Good Utility Practice in coordination with the other Party remove from service any of its respective Interconnection Facilities or Network Upgrades that may impact the other Party's facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service will use Reasonable Efforts to schedule such removal on a date and time mutually acceptable to the

Parties. In all circumstances, any Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Party of such removal.

9.7.1.2 **Outage Schedules**. Transmission Provider shall post scheduled outages of its transmission facilities on the OASIS. Interconnection Customer shall submit its planned maintenance schedules for the Large Generating Facility to Transmission Provider for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its planned maintenance schedules as necessary. Transmission Provider may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the Transmission System; provided, however, adequacy of generation supply shall not be a criterion in determining Transmission System reliability. Transmission Provider shall compensate Interconnection Customer for any additional direct costs that Interconnection Customer incurs as a result of having to reschedule maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent Transmission Provider's request to reschedule maintenance. Interconnection Customer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, Interconnection Customer had modified its schedule of maintenance activities.

9.7.1.3 **Outage Restoration**. If an outage on a Party's Interconnection Facilities or Network Upgrades adversely affects the other Party's operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, to the extent such information is known, information on the nature of the Emergency Condition, an estimated time of restoration,

and any corrective actions required. Initial verbal notice shall be followed up as soon as practicable with written notice explaining the nature of the outage.

9.7.2 Interruption of Service. If required by Good Utility Practice to do so, Transmission Provider may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect Transmission Provider's ability to perform such activities as are necessary to safely and reliably operate and maintain the Transmission System. The following provisions shall apply to any interruption or reduction permitted under this Article 9.7.2:

9.7.2.1 The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice;

9.7.2.2 Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all generating facilities directly connected to the Transmission System;

9.7.2.3 When the interruption or reduction must be made under circumstances which do not allow for advance notice, Transmission Provider shall notify Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written notification as soon as practicable;

9.7.2.4 Except during the existence of an Emergency Condition, when the interruption or reduction can be scheduled without advance notice, Transmission Provider shall notify Interconnection Customer in advance regarding the timing of such scheduling and further notify Interconnection Customer of the expected duration. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to Interconnection Customer and Transmission Provider;

9.7.2.5 The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Large Generating Facility, Interconnection Facilities, and the Transmission System to their normal operating state, consistent with system conditions and Good Utility Practice.

9.7.2.6 The Transmission Provider has informed the Interconnection Customer that the Large Generating Facility has the potential to adversely affect the start-up and/or operation of the Eddy County HVDC terminal (DC terminal) that serves as an electrical interconnection between the Western Interconnection of the United States and the Eastern Interconnection of the United States. The Parties seek to avoid any adverse impact on the DC terminal. Interconnection Customer shall adhere to any operating instructions given by Transmission Provider to enable the safe and effective start-up and/or operation of the DC terminal.

9.7.3 Under-Frequency and Over Frequency Conditions. The Transmission System is designed to automatically activate a load-shed program as required by the Applicable Reliability Council in the event of an under-frequency system disturbance. Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Large Generating Facility as required by the Applicable Reliability Council to ensure "ride through" capability of the Transmission System. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with Transmission Provider in accordance with Good Utility Practice. The term "ride through" as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the Transmission System during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice.

9.7.4 System Protection and Other Control Requirements.

9.7.4.1 System Protection Facilities. Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Large Generating Facility or Interconnection Customer's

Interconnection Facilities. Transmission Provider shall install at Interconnection Customer's expense any System Protection Facilities that may be required on Transmission Provider's Interconnection Facilities or the Transmission System as a result of the interconnection of the Large Generating Facility and Interconnection Customer's Interconnection Facilities.

9.7.4.2 Each Party's protection facilities shall be designed and coordinated with other systems in accordance with Good Utility Practice.

9.7.4.3 Each Party shall be responsible for protection of its facilities consistent with Good Utility Practice.

9.7.4.4 Each Party's protective relay design shall incorporate the necessary test switches to perform the tests required in Article 6. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of Interconnection Customer's units.

9.7.4.5 Each Party will test, operate and maintain System Protection Facilities in accordance with Good Utility Practice. Each Party will be responsible for adherence to the testing and maintenance required under the NERC Reliability Standards and other requirements with respect to the Protection Facilities it owns. It is contemplated that certain components of Protection Facilities owned by Interconnection Customer, including relays associated with gen-tie breaker(s), may be housed in the control building within the fenced perimeter of the Empire Substation to be constructed under this Agreement. The Empire Substation is on the Transmission Provider's side of the PCO; however, Interconnection Customer shall own and have compliance responsibility for any such Protection Facility components. Transmission Provider shall allow for Interconnection Customer's access to such components, upon reasonable advance written request of Interconnection Customer, for such purpose.

9.7.4.6 Prior to the In-Service Date, and again prior to the Commercial Operation Date, each Party or its agent shall perform a complete calibration test and functional trip test of the System Protection Facilities. At intervals suggested by Good Utility Practice and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its System Protection Facilities. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

9.7.5 Requirements for Protection. In compliance with Good Utility Practice, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the Transmission System not otherwise isolated by Transmission Provider's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Transmission System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Large Generating Facility and the Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Large Generating Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and Interconnection Customer's other equipment if conditions on the Transmission System could adversely affect the Large Generating Facility. Similarly, Interconnection Customer shall be responsible for disconnecting or reducing the output of the Large Generating Facility in response to Transmission Provider's instruction to do so if conditions are such that the Large Generating Facility could adversely affect the start-up or operation of the DC terminal. The Parties to this Agreement desire to protect against any such adverse impacts, and have developed an operating procedure as part of this Agreement. The operating procedure is in Appendix C.

9.7.6 Power Quality. Neither Party's facilities shall cause excessive

voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard. In the event of a conflict between ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, ANSI Standard C84.1-1989, or the applicable superseding electric industry standard, shall control. Transmission Provider has the right to monitor and to give operating instructions to Interconnection Customer in situations in which the Large Generating Facility must reduce its output in order for the Transmission Provider to protect against adverse voltage-related impacts or other impacts that would put the transmission system at risk.

9.8 Switching and Tagging Rules. Each Party shall provide the other Party a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

9.9 Use of Interconnection Facilities by Third Parties.

9.9.1 Purpose of Interconnection Facilities. Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Large Generating Facility to the Transmission System and shall be used for no other purpose.

9.9.2 Third Party Users. If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use Transmission Provider's Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between Interconnection

Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to FERC for resolution.

9.10 Disturbance Analysis Data Exchange. The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or Transmission Provider's Transmission System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.

Article 10. Maintenance

10.1 Transmission Provider Obligations. Transmission Provider shall maintain the Transmission System and Transmission Provider's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.2 Interconnection Customer Obligations. Interconnection Customer shall maintain the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.3 Coordination. The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Large Generating Facility and the Interconnection Facilities.

10.4 Secondary Systems. Each Party shall cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current

transformers, or potential transformers.

10.5 Operating and Maintenance Expenses. Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of Transmission Provider's Interconnection Facilities.

Article 11. Performance Obligation

11.1 Interconnection Customer Interconnection Facilities. Interconnection Customer shall design, procure, construct, install, own and/or control Interconnection Customer Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at its sole expense.

11.2 Transmission Provider's Interconnection Facilities. Transmission Provider or Transmission Owner shall design, procure, construct, install, own and/or control the Transmission Provider's Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at the sole expense of the Interconnection Customer.

11.3 Network Upgrades and Distribution Upgrades. Transmission Provider or Transmission Owner shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades. The Interconnection Customer shall be responsible for all costs related to Distribution Upgrades. Unless Transmission Provider or Transmission Owner elects to fund the capital for the Network Upgrades, they shall be solely funded by Interconnection Customer.

11.4 Transmission Credits.

11.4.1 Repayment of Amounts Advanced for Network Upgrades. Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to Transmission Provider and Affected System Operator, if any, for the

Network Upgrades, including any tax gross-up or other tax-related payments associated with Network Upgrades, and not refunded to Interconnection Customer pursuant to Article 5.17.8 or otherwise, to be paid to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under Transmission Provider's Tariff and Affected System's Tariff for transmission services with respect to the Large Generating Facility. Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. Interconnection Customer may assign such repayment rights to any person.

Notwithstanding the foregoing, Interconnection Customer, Transmission Provider, and Affected System Operator may adopt any alternative payment schedule that is mutually agreeable so long as Transmission Provider and Affected System Operator take one of the following actions no later than five years from the Commercial Operation Date: (1) return to Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that Transmission Provider or Affected System Operator will continue to provide payments to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the Commercial Operation Date.

If the Large Generating Facility fails to achieve commercial operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, Transmission Provider and Affected System Operator shall at that time reimburse Interconnection Customer for the amounts advanced for the Network Upgrades. Before any such reimbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the Generating Facility, if different, is responsible for identifying the entity to which

reimbursement must be made.

11.4.2 Special Provisions for Affected Systems. Unless Transmission Provider provides, under the LGIA, for the repayment of amounts advanced to Affected System Operator for Network Upgrades, Interconnection Customer and Affected System Operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by Interconnection Customer to the Affected System Operator as well as the repayment by the Affected System Operator.

11.4.3 Notwithstanding any other provision of this LGIA, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that Interconnection Customer, shall be entitled to, now or in the future under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Large Generating Facility.

11.5 Provision of Security. At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, Interconnection Customer shall provide Transmission Provider, at Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Transmission Provider and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to Transmission Provider for these purposes.

In addition:

11.5.1 The guarantee must be made by an entity that meets the creditworthiness requirements of Transmission Provider, and contain terms and conditions that guarantee payment of any

amount that may be due from Interconnection Customer, up to an agreed-to maximum amount.

11.5.2 The letter of credit must be issued by a financial institution reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

11.5.3 The surety bond must be issued by an insurer reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

11.6 Interconnection Customer Compensation. Except in circumstances in which Transmission Provider acts pursuant to (a) the DC terminal-related operating procedure in this Agreement, (b) the restrictions and standards in this Agreement imposed on the Interconnection Customer's Large Generating Facility, and/or (c) NERC guidance and standards, if Transmission Provider requests or directs Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for Reactive Power), or 13.5.1 of this LGIA, Transmission Provider shall compensate Interconnection Customer in accordance with Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to an RTO or ISO FERC-approved rate schedule. Interconnection Customer shall serve Transmission Provider or RTO or ISO with any filing of a proposed rate schedule at the time of such filing with FERC. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb any Reactive Power under this LGIA, Transmission Provider agrees to compensate Interconnection Customer in such amount as would have been due Interconnection Customer had the rate schedule been in effect at the time service commenced; provided, however, that such rate schedule must be filed at FERC or other appropriate Governmental Authority within sixty (60) Calendar Days of the commencement of service.

11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition. Transmission Provider or RTO or ISO shall compensate Interconnection Customer for its provision of real and reactive power and other Emergency Condition services that Interconnection Customer provides to support the Transmission System during an Emergency Condition in accordance with Article 11.6; provided, however, that this LGIA imposes upon Interconnection Customer conditions and requirements associated with real and reactive power and voltage for purposes of protecting the transmission

system from being adversely affected by the interconnection of the Large Generating Facility to Transmission Provider's system, and Interconnection Customer's compliance with those conditions and requirements do not give rise to an obligation of Transmission Provider to compensate Interconnection Customer.

Article 12. Invoice

12.1 General. Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this LGIA, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

12.2 Final Invoice. Within six months after completion of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades, Transmission Provider shall provide an invoice of the final cost of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Transmission Provider shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

12.3 Payment. Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by either Party will not constitute a waiver of any rights or claims either Party may have under this LGIA.

12.4 Disputes. In the event of a billing dispute between Transmission Provider and Interconnection Customer, Transmission Provider shall continue to provide Interconnection Service under this LGIA as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Transmission Provider or into an independent escrow account the

portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then Transmission Provider may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accord with the methodology set forth in FERC's regulations at 18 CFR § 35.19a(a)(2)(iii).

Article 13. Emergencies

13.1 Definition. "Emergency Condition" shall mean a condition or situation: (i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (ii) that, in the case of Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (iii) that, in the case of Interconnection Customer, is imminently likely (as determined in a nondiscriminatory manner) to cause a material adverse effect on the security of, or damage to, the Large Generating Facility or Interconnection Customer's Interconnection Facilities' System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by this LGIA to possess black start capability.

13.2 Obligations. Each Party shall comply with the Emergency Condition procedures of the applicable ISO/RTO, NERC, the Applicable Reliability Council, Applicable Laws and Regulations, and any emergency procedures agreed to by the Joint Operating Committee.

13.3 Notice. Transmission Provider shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects Transmission Provider's Interconnection Facilities or the Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Transmission Provider promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the Transmission System or Transmission Provider's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the

damage or deficiency, the expected effect on the operation of Interconnection Customer's or Transmission Provider's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.

13.4 Immediate Action. Unless, in Interconnection Customer's reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Transmission Provider, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Large Generating Facility or Interconnection Customer's Interconnection Facilities in response to an Emergency Condition either declared by Transmission Provider or otherwise regarding the Transmission System.

13.5 Transmission Provider Authority.

13.5.1 General. Transmission Provider may take whatever actions or inactions with regard to the Transmission System or Transmission Provider's Interconnection Facilities it deems necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Transmission System or Transmission Provider's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

Transmission Provider shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider may, on the basis of technical considerations, require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, startup, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing Interconnection Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of Transmission Provider's operating instructions concerning

Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

13.5.2 Reduction and Disconnection. Transmission Provider may reduce Interconnection Service or disconnect the Large Generating Facility or Interconnection Customer's Interconnection Facilities, when such, reduction or disconnection is necessary under Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from any right of curtailment of Transmission Provider pursuant to Transmission Provider's Tariff. When Transmission Provider can schedule the reduction or disconnection in advance, Transmission Provider shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and Transmission Provider. Any reduction or disconnection shall continue only for so long as reasonably necessary under Good Utility Practice. The Parties shall cooperate with each other to restore the Large Generating Facility, the Interconnection Facilities, and the Transmission System to their normal operating state as soon as practicable consistent with Good Utility Practice.

13.6 Interconnection Customer Authority. Consistent with Good Utility Practice and the LGIA and the LGIP, Interconnection Customer may take actions or inactions with regard to the Large Generating Facility or Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Large Generating Facility or Interconnection Customer's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Transmission System and Transmission Provider's Interconnection Facilities. Transmission Provider shall use Reasonable Efforts to assist Interconnection Customer in such actions.

13.7 Limited Liability. Except as otherwise provided in Article 11.6.1 of this

LGIA, neither Party shall be liable to the other for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.

Article 14. Regulatory Requirements and Governing Law

14.1 Regulatory Requirements. Each Party's obligations under this LGIA shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this LGIA shall require Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act, the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978.

14.2 Governing Law.

14.2.1 The validity, interpretation and performance of this LGIA and each of its provisions shall be governed by the laws of the state where the Point of Interconnection is located, without regard to its conflicts of law principles.

14.2.2 This LGIA is subject to all Applicable Laws and Regulations.

14.3.3 Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

Article 15. Notices.

15.1 General. Unless otherwise provided in this LGIA, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.

Either Party may change the notice information in this LGIA by giving five (5) Business Days written notice prior to the effective date of the change.

15.2 Billings and Payments. Billings and payments shall be sent to the addresses set out in Appendix F.

15.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F.

15.4 Operations and Maintenance Notice. Each Party shall notify the other Party in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10.

Article 16. Force Majeure

16.1 Force Majeure.

16.1.1 Economic hardship is not considered a Force Majeure event.

16.1.2 Neither Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

Article 17. Default

17.1 Default

17.1 **General.** No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this LGIA or the result of an act of omission of the other Party. Upon a Breach, the non-breaching Party shall give written notice of such Breach to the breaching Party. Except as provided in Article 17.1.2, the breaching Party shall have thirty (30) Calendar Days from receipt of the Default notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

17.2 **Right to Terminate.** If a Breach is not cured as provided in this article, or if a Breach is not capable of being cured within the period provided for herein, the non-breaching Party shall have the right to declare a Default and terminate this LGIA by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this LGIA, to recover from the breaching 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 article will survive termination of this LGIA.

Article 18. Indemnity, Consequential Damages and Insurance

18.1 **Indemnity**. The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under this LGIA on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

18.1.1 **Indemnified Person**. If an Indemnified Person is entitled to

indemnification under this Article 18 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 18.1, to assume the defense of such claim, such Indemnified Person may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

18.1.2 **Indemnifying Party**. If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Article 18, the amount owing to the Indemnified Person shall be the amount of such Indemnified Person's actual Loss, net of any insurance or other recovery.

18.1.3 **Indemnity Procedures**. Promptly after receipt by an Indemnified Person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Article 18.1 may apply, the Indemnified Person shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.

The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Person. If the defendants in any such action include one or more Indemnified Persons and the Indemnifying Party and if the Indemnified Person reasonably concludes that there may be legal defenses available to it and/or other Indemnified Persons which are different from or additional to those available to the Indemnifying Party, the Indemnified Person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Person or Indemnified Persons having such differing or additional legal defenses.

The Indemnified Person shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense

of which has been assumed by the Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Person and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Person, or there exists a conflict or adversity of interest between the Indemnified Person and the Indemnifying Party, in such event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Person, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Person, which shall not be reasonably withheld, conditioned or delayed.

18.2 Consequential Damages. Other than the Liquidated Damages heretofore described, in no event shall either Party be liable under any provision of this LGIA 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.

18.3 Insurance. Each party shall, at its own expense, maintain in force throughout the period of this LGIA, and until released by the other Party, the following minimum insurance coverages, with insurers authorized to do business in the state where the Point of Interconnection is located:

18.3.1 Employers' Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the state in which the Point of Interconnection is located.

18.3.2 Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors

coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of One Million Dollars ($1,000,000) per occurrence/One Million Dollars ($1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.

18.3.3 Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars ($1,000,000) per occurrence for bodily injury, including death, and property damage.

18.3.4 Excess Public Liability Insurance over and above the Employers' Liability Commercial General Liability and Comprehensive Automobile Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars ($20,000,000) per occurrence/Twenty Million Dollars ($20,000,000) aggregate.

18.3.5 The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Public Liability Insurance policies shall name the other Party, its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this LGIA against the Other Party Group and provide thirty (30) Calendar Days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.

18.3.6 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which

the insurer would have been liable had only one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.

18.3.7 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this LGIA, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.

18.3.8 The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this LGIA.

18.3.9 Within ten (10) days following execution of this LGIA, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days thereafter, each Party shall provide certification of all insurance required in this LGIA, executed by each insurer or by an authorized representative of each insurer.

18.3.10 Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.8 to the extent it maintains a self-insurance program; provided that, such Party's senior secured debt is rated at investment grade or better by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.8. For any period of time that a Party's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Articles 18.3.2 through 18.3.9. In the event that a Party is permitted to self-insure pursuant to this article, it shall notify the other Party that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 18.3.9.

18.3.11 The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this LGIA.

Article 19. Assignment

19.1 Assignment. This LGIA may be assigned by either Party only with the written consent of the other; provided that either Party may assign this LGIA without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this LGIA; and provided further that Interconnection Customer shall have the right to assign this LGIA, without the consent of Transmission Provider, for collateral security purposes to aid in providing financing for the Large Generating Facility, provided that Interconnection Customer will promptly notify Transmission Provider of any such assignment. Any financing arrangement entered into by Interconnection Customer pursuant to this article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify Transmission Provider of the date and particulars of any such exercise of assignment right(s), including providing the Transmission Provider with proof that it meets the requirements of Articles 11.5 and 18.3. Any attempted assignment that violates this article is void and ineffective. Any assignment under this LGIA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

In the event this LGIA is assigned by the Interconnection Customer, the assignee will step into the shoes of the original (assignor) Interconnection Customer and fulfill any and all obligations of the original Interconnection Customer under the 2018 Engineering and Procurement Agreement. Upon the assignment, the assignee would be made to tender its own letter(s) of credit or other financial security reasonably acceptable to Transmission Provider pursuant to Article 11.5 in the amount shown in the Appendix B milestones.

Article 20. Severability

20.1 Severability. If any provision in this LGIA is finally determined to be invalid, void or unenforceable by any court or other Governmental

Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this LGIA; provided that if Interconnection Customer (or any third party, but only if such third party is not acting at the direction of Transmission Provider) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

Article 21. Comparability

21.1 Comparability. The Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

Article 22. Confidentiality

22.1 Confidentiality. Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of this LGIA.

Unless Transmission Provider and Interconnection Customer have agreed otherwise,[7] information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Article 22 warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

The release of Confidential Information shall be subject to Applicable Laws and Regulations and Applicable Reliability Standards.

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[7] Interconnection Customer and Transmission Provider have agreed to, and are performing under, confidentiality protections that do not mandate the use of labels or markings.

22.1.1 **Term**. During the term of this LGIA, and for a period of three (3) years after the expiration or termination of this LGIA, except as otherwise provided in this Article 22, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

22.1.2 **Scope**. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this LGIA; or (6) is required, in accordance with Article 22.1.7 of the LGIA, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

22.1.3 **Release of Confidential Information**. Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this LGIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding

the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.

22.1.4 **Rights**. Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

22.1.5 **No Warranties**. By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

22.1.6 **Standard of Care**. Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this LGIA or its regulatory requirements.

22.1.7 **Order of Disclosure**. If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential

Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

22.1.8 **Termination of Agreement**. Upon termination of this LGIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.

22.1.9 **Remedies**. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 22, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.

22.1.10 **Disclosure to FERC, its Staff, or a State**. Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in

confidence pursuant to this LGIA, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this LGIA prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

22.1.11 Subject to the exception in Article 22.1.10, any information that a Party claims is competitively sensitive, commercial or financial information under this LGIA ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIA or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the

information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

Article 23. Environmental Releases

23.1 Each Party shall notify the other Party, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Large Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

Article 24. Information Requirements

24.1 Information Acquisition. Transmission Provider and Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.

24.2 Information Submission by Transmission Provider. The initial information submission by Transmission Provider shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include Transmission System information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis Transmission Provider shall provide Interconnection Customer a status report on the construction and installation of Transmission Provider's Interconnection Facilities and Network Upgrades, including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

24.3 Updated Information Submission by Interconnection Customer. The

updated information submission by Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. Interconnection Customer shall submit a completed copy of the Large Generating Facility data requirements contained in Appendix 1 to the LGIP. It shall also include any additional information provided to Transmission Provider for the Feasibility and Facilities Study. Information in this submission shall be the most current Large Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Transmission Provider standard models. If there is no compatible model, Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If Interconnection Customer's data is materially different from what was originally provided to Transmission Provider pursuant to the Interconnection Study Agreement between Transmission Provider and Interconnection Customer, then Transmission Provider will conduct appropriate studies to determine the impact on Transmission Provider Transmission System based on the actual data submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed.

24.4 Information Supplementation. Prior to the Operation Date, the Parties shall supplement their information submissions described above in this Article 24 with any and all "as-built" Large Generating Facility information or "as-tested" performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. The Interconnection Customer shall conduct tests on the Large Generating Facility as required by Good Utility Practice such as an open circuit "step voltage" test on the Large Generating Facility to verify proper operation of the Large Generating Facility's automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Large Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Large Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Interconnection Customer shall provide validated test recordings showing the responses of Large Generating Facility terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Large Generating Facility's terminal or field voltage are acceptable if information necessary to translate these alternate

quantities to actual Large Generating Facility terminal or field voltages is provided. Large Generating Facility testing shall be conducted and results provided to Transmission Provider for each individual generating unit in a station. Subsequent to the Operation Date, Interconnection Customer shall provide Transmission Provider any information changes due to equipment replacement, repair, or adjustment. Transmission Provider shall provide Interconnection Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Transmission Provider-owned substation that may affect Interconnection Customer's Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information no later than thirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment.

Article 25. Information Access and Audit Rights

25.1 Information Access. Each Party (the "disclosing Party") shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this LGIA; and (ii) carry out its obligations and responsibilities under this LGIA. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this LGIA.

25.2 Reporting of Non-Force Majeure Events. Each Party (the "notifying Party") shall notify the other Party when the notifying Party becomes aware of its inability to comply with the provisions of this LGIA for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this LGIA.

25.3 Audit Rights. Subject to the requirements of confidentiality under Article 22 of this LGIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either Party's performance or either Party's satisfaction of obligations under this LGIA. Such audit rights shall include audits of the other Party's costs,

calculation of invoiced amounts, Transmission Provider's efforts to allocate responsibility for the provision of reactive support to the Transmission System, Transmission Provider's efforts to allocate responsibility for interruption or reduction of generation on the Transmission System, and each Party's actions in an Emergency Condition. Any audit authorized by this article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party's performance and satisfaction of obligations under this LGIA. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.

25.4 Audit Rights Periods

25.4.1 Audit Rights Period for Construction-Related Accounts and Records. Accounts and records related to the design, engineering, procurement, and construction of Transmission Provider's Interconnection Facilities and Network Upgrades shall be subject to audit for a period of twenty-four months following Transmission Provider's issuance of a final invoice in accordance with Article 12.2.

25.4.2 Audit Rights Period for All Other Accounts and Records. Accounts and records related to either Party's performance or satisfaction of all obligations under this LGIA other than those described in Article 25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four months after the event for which the audit is sought.

25.5 Audit Results. If an audit by a Party determines that an overpayment or an underpayment has occurred, a notice of such overpayment or underpayment shall be given to the other Party together with those records from the audit which support such determination.

Article 26. Subcontractors

26.1 General. Nothing in this LGIA shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this LGIA; provided, however, that each Party shall

require its subcontractors to comply with all applicable terms and conditions of this LGIA in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

26.2 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this LGIA. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Transmission Provider be liable for the actions or inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under Article 5 of this LGIA. Any applicable obligation imposed by this LGIA upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

26.3 No Limitation by Insurance. The obligations under this Article 26 will not be limited in any way by any limitation of subcontractor's insurance.

Article 27. Disputes

27.1 Submission. In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this LGIA or its performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.

27.2 External Arbitration Procedures. Any arbitration initiated under this LGIA shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar

Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail.

27.3 Arbitration Decisions. Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this LGIA and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

27.4 Costs. Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

Article 28. Representations, Warranties, and Covenants

28.1 General. Each Party makes the following representations, warranties and covenants:

28.1.1 Good Standing. Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and

Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this LGIA and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this LGIA.

28.1.2 **Authority**. Such Party has the right, power and authority to enter into this LGIA, to become a Party hereto and to perform its obligations hereunder. This LGIA is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

28.1.3 **No Conflict**. The execution, delivery and performance of this LGIA does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

28.1.4 **Consent and Approval**. Such Party has sought or obtained, or, in accordance with this LGIA will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this LGIA, and it will provide to any Governmental Authority notice of any actions under this LGIA that are required by Applicable Laws and Regulations.

Article 29. Joint Operating Committee

29.1 **Joint Operating Committee**. Except in the case of ISOs and RTOs, Transmission Provider shall constitute a Joint Operating Committee to coordinate operating and technical considerations of Interconnection Service. At least six (6) months prior to the expected Initial Synchronization Date, Interconnection Customer and Transmission Provider shall each appoint one representative and one alternate to the Joint Operating Committee. Each Interconnection Customer shall notify

Transmission Provider of its appointment in writing. Such appointments may be changed at any time by similar notice. The Joint Operating Committee shall meet as necessary, but not less than once each calendar year, to carry out the duties set forth herein. The Joint Operating Committee shall hold a meeting at the request of either Party, at a time and place agreed upon by the representatives. At its discretion, Transmission Provider may invite Public Service Company of New Mexico ("PNM") to participate in any meeting of the Joint Operating Committee. PNM is a co-owner of the 345 kV transmission line on which the Empire Substation is located. The Joint Operating Committee shall perform all of its duties consistent with the provisions of this LGIA. Each Party shall cooperate in providing to the Joint Operating Committee all information required in the performance of the Joint Operating Committee's duties. All decisions and agreements, if any, made by the Joint Operating Committee, shall be evidenced in writing. The duties of the Joint Operating Committee shall include the following:

29.1.1 Establish data requirements and operating record requirements.

29.1.2 Review the requirements, standards, and procedures for data acquisition equipment, protective equipment, and any other equipment or software.

29.1.3 Annually review the one (1) year forecast of maintenance and planned outage schedules of Transmission Provider's and Interconnection Customer's facilities at the Point of Interconnection.

29.1.4 Coordinate the scheduling of maintenance and planned outages on the Interconnection Facilities, the Large Generating Facility and other facilities that impact the normal operation of the interconnection of the Large Generating Facility to the Transmission System.

29.1.5 Ensure that information is being provided by each Party regarding equipment availability.

29.1.6 Perform such other duties as may be conferred upon it by mutual agreement of the Parties.

Article 30. Miscellaneous

30.1 Binding Effect. This LGIA and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

30.2 Conflicts. The interconnection service provided for in this Agreement calls for the addition of many provisions set forth in the Appendices to the Agreement. With respect to Appendix G, specifically, the Parties understand and acknowledge that the contents of Appendix G contain more stringent requirements than those contained in the body of this LGIA; the more stringent requirements of Appendix G are intended to control. Otherwise, the Parties intend for the content of the Appendices and the content of the body of this LGIA to be read in unison. In the event of an irreconcilable conflict between the body of this LGIA and any attachment, appendices or exhibits hereto, the Parties will work cooperatively to clarify the intent of the Parties before interconnection service begins. If the Parties do not mutually agree on a clarification, either Party may invoke the provisions of Article 17; provided, however, that the Parties commit to first pursue dispute resolution pursuant to Article 27.1.

30.3 Rules of Interpretation. This LGIA, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this LGIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this LGIA), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this LGIA or such Appendix to this LGIA, or such Section to the LGIP or such Appendix to the LGIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this LGIA as a whole and not to any particular Article or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to

the determination of any period of time, “from” means “from and including”, “to” means “to but excluding” and “through” means “through and including”.

30.4 Entire Agreement. This LGIA, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this LGIA. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party’s compliance with its obligations under this LGIA. Interconnection Customer understands that its interconnection to the Transmission Provider’s Transmission System was studied and evaluated assuming that senior requests and the facilities identified by Transmission Provider as necessary for such requests, are in effect and in service. This LGIA and its Appendices and Schedules are subject to change, based upon changes to such circumstances.

30.5 No Third Party Beneficiaries. This LGIA is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns. Interconnection Customer has notified Transmission Provider that it intends to assign this LGIA to a third party.

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

Any waiver at any time by either Party of its rights with respect to this LGIA shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this LGIA. Termination or Default of this LGIA for any reason by Interconnection Customer shall not constitute a waiver of Interconnection Customer’s legal rights to obtain an interconnection from Transmission Provider. Any waiver of this LGIA shall, if requested, be provided in writing.

30.7 Headings. The descriptive headings of the various Articles of this LGIA have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this LGIA.

30.8 Multiple Counterparts. This LGIA may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

30.9 Amendment. The Parties may by mutual agreement amend this LGIA by a written instrument duly executed by the Parties.

30.10 Modification by the Parties. The Parties may by mutual agreement amend the Appendices to this LGIA by a written instrument duly executed by the Parties. Such amendment shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.

30.11 Reservation of Rights. Transmission Provider shall have the right to make a unilateral filing with FERC to modify this LGIA with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this LGIA pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this LGIA shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

30.12 No Partnership. This LGIA shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

30.13 **No Transmission**. This LGIA does not provide for any transmission service for the output of the Large Generating Facility. The Interconnection Customer or the buyer of the output of the Large Generating Facility will require transmission service under Transmission Provider's Tariff. The availability of transmission service from the Point of Interconnection to a point of delivery on Transmission Provider's transmission system will be governed by Transmission Provider's Tariff.

Neither the Interconnection Customer nor the buyer of the output of the Large Generating Facility is eligible to receive free transmission of the output of the Large Generating Facility, whether through a no-fee exchange agreement or otherwise.

IN WITNESS WHEREOF, the Parties have executed this LGIA in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

APPROVED AS TO FORM
OFFICE OF THE GENERAL COUNSEL

El Paso Electric Company

By: _____

Title: INTERIM CHIEF EXECUTIVE OFFICER

Date: 12-9-2019

EDF Renewables Development, Inc.

By: Ryan Pfaff

Title: EVP, Grid-Scale Power

Date: 12/6/2019

Appendices: Interconnection Facilities, Network Upgrades and Distribution Upgrade

Appendices to LGIA

Appendix A	Interconnection Facilities, Network Upgrades, and Distribution Upgrades
Appendix B	Milestones
Appendix C	Interconnection Details
Appendix D	Security Arrangements Details
Appendix E	Commercial Operation Date
Appendix F	Addresses for Delivery of Notices and Billings
Appendix G	Interconnection Requirements for a Wind Generating Plant

Appendix A: Interconnection Facilities, Network Upgrades and Distribution Upgrades

Appendix A to LGIA

Interconnection Facilities, Network Upgrades and Distribution Upgrades Associated with ERIS[8] for the Large Generating Facility:[9]

1. Interconnection Facilities:

(a) Interconnection Customer's Interconnection Facilities:

Generator Interconnection Facilities[10]

Item	Description
Transmission Line	Generating Facility to the PCO
Static Var Compensator/STATCOM	+-48 MVAR of dynamic reactive support (i.e., leading/lagging 48 MVAR SVC/STATCOM), plus capacitors

Generator Interconnection Facilities are facilities paid for by the Interconnection Customer, owned and operated by the Interconnection Customer from the Generating Facility to the Point of Change of Ownership (PCO). The PCO is the dead-end structure that connects the Generator's gen-tie to Transmission Provider's Interconnection Facilities. The PCO is located outside the POI substation structure. The Interconnection Customer will be responsible for the design, engineering, and construction of all facilities up to the PCO. The Generator

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[8] ERIS interconnection service does not convey or imply a right to secure transmission capability, or any transmission service. Transmission service to move the output of the Interconnection Customer's Large Generating Facility from the Point of Interconnection (POI) to a Point of Delivery on the EPE transmission system requires the submission of an application under the processes in the EPE Tariff.

[9] Cost estimates have been identified in the interconnection studies performed to-date. The identified costs are simply estimates. The Interconnection Customer is responsible for paying the actual costs of interconnection facilities and network upgrades, including stand-alone network upgrades.

[10] The Interconnection Customer is on notice that its requested interconnection has the potential to create adverse impacts on a nearby DC terminal. Therefore, for example, instead of requiring the installation of a short circuit availability-supplying device, such as a synchronous condenser, as part of the Interconnection Customer's Interconnection Facilities, EPE will invoke operational procedures pursuant to which the operator of the Interconnection Customer's Generating Facility will have to comply with instructions from EPE to prevent any such adverse effects on the DC terminal, including, for example, adverse effects on the start-up, shut-down and operation of the terminal. Operating directives may include a directive to the generator operator to turn off or stagger the startup of its wind turbines. See Appendix C.

Interconnection Facilities include all generator step-up transformers, breakers, and VAR support equipment needed to integrate the Large Generating Facility. A Static Var Compensator (SVC) was identified among the interconnection facilities necessary to permit the interconnection. See the reference to "SVC" in the diagram shown as an attachment to this LGIA. Interconnection Customer shall provide to the Transmission Provider real-time data associated with the status of the SVC, the MVAR output of the SVC, the MVAR and MW output of the Large Generating Facility, and the status of the generation tie breaker(s), including any Power System Stabilizers (PSS) and Automatic Voltage Regulation (AVR), whether on, off or in auto mode, and associated settings.

Exception: Relays and associated communications equipment associated with the Interconnection Customer's gen-tie breaker(s), as well as any equipment of the Interconnection Customer installed for the dynamic transfer of the Large Generating Facility output to the Balancing Authority Area of Tucson Electric Power Company (Tucson), are owned by Interconnection Customer even though they may be located on the Transmission Provider's side of the PCO. Equipment and data transmission services necessary to effectuate and maintain dynamic transfer shall be reviewed and approved by Transmission Provider, in advance. Data to be transmitted to Tucson shall simultaneously be transmitted to Transmission Provider at Transmission Provider's control center. In the event the Interconnection Customer desires communication redundancy for its own needs and/or for implementation of dynamic transfer of Interconnection Customer's power into the Tucson Balancing Authority Area, it shall be at the Interconnection Customer's cost. Transmission Provider shall bear no cost responsibility or compliance responsibility for any communication redundancy desired by Interconnection Customer.

(b) Transmission Provider's Interconnection Facilities:

EPE Interconnection Facilities

Item	Description
Transmission Facilities	between the Large Generating Facility interconnection line dead-end structure (PCO) and the termination point at the 345 kV substation bus
Revenue Metering	on the interconnection line at a location upstream of the POI
Phasor Measurement Unit	on the interconnection line at a location upstream of the POI[11]

[11] Transmission Provider, at its discretion, may rely initially upon a digital fault recorder to capture transient events at Empire Substation. Transmission Provider will confirm in writing to Interconnection Customer

EPE Interconnection Facilities are facilities from the PCO to the POI, paid for by the Interconnection Customer but owned and operated by EPE.

Facilities *from* the gen-tie dead-end structure marking the end of the Generator's Interconnection Facilities *to* the POI (including the structure, conductor from the structure to the POI, breakers, the revenue metering equipment, and the Phasor Measurement Unit), include:

- Three (3) 345 kV 3000 A disconnect switches with MODs
- One (1) 345 kV dead-end structure
- One (1) 345kV 3000A, gas circuit breakers
- One set of three (3) 345 kV CVTs and structures (revenue quality)
- Three (3) lightning arresters mounted on dead-end structure(s)
- One Set of three (3) 345 kV Metering CTs and structures (revenue quality)
- Eight (8) insulators and structures
- Phasor measurement unit
- EPE back-up protective relaying (Interconnection Customer to have responsibility for primary protection associated with its gen-tie to the Large Generating Facility)

2. Network Upgrades:[12]

Network Upgrade Facilities	
Item	**Description**
Empire Substation	New POI 345 kV substation
Transmission Line Reconfigurations	Tying in the existing Eddy to Amrad 345 kV transmission line into the Empire substation
Shunt Reactor and Remote End Line Protection	50 MVAR of inductive support required on the Amrad line terminal at Empire and remote end line protection at Eddy and Amrad will have to be upgraded.

(a) Stand Alone Network Upgrades

- Replace one (1) of the two existing shield wires on the Amrad to Eddy

when a phasor measurement unit is required.

[12] The Interconnection Customer's Interconnection Request was studied through the use of base cases that assumed and incorporated senior requests for service and assumed that any and all transmission system modifications identified as resulting from senior requests were in place and in service. Changes in senior-queued requests may impact the generator interconnection addressed in this Agreement, and may result in changes to the facilities necessary to permit interconnection service to the Interconnection Customer under this Agreement.

345 kV line, with the new wire to run from Empire Substation to Eddy Substation[13]

- Two (2) 345kV 3000A, gas circuit breakers
- One (1) 345 kV 3000A gas synchronous breaker
- Two (2) 345kV dead-end structures
- (1 lot) steel structures for 345kV bus support, surge arresters, 345kV switches, SSVT and CVTs
- Ten (10) 345kV 3000A, disconnect switches with MODs
- Six (6) CVTs (2-sets), and structures
- One (1) 345 kV station service voltage transformer
- Six (6) lightning Arresters (2-sets)
- Four (4) shielding poles and foundations
- Twenty-Six (26) 345kV insulators for bus works
- (1 lot) ground grid system, including ground rods and grounding conductors
- (1 lot) control cables and other cables
- (1 lot) foundations for 345 kV GCB, 50 MVAR reactor, switches, CVTs, SSVT, dead-end structure, and lightning masts
- (1 lot) cable trench, raceways, pull boxes, and conduits
- (1 lot) chain link fence, site prep, grading and roadways
- 50 MVAR shunt reactor and a 345 kV synchronous breaker to control the switching of this reactor
- 15.5'x 44.0' prefabricated drop-in control building to be included on the design to house all protection and control equipment for the substation

(b) Other Network Upgrades:[14]

- Transmission Provider-owned equipment (at Empire Substation) required for Transmission Provider system protection and control, including:
  - (1 lot) transmission line relaying
  - Four (4) panels with relays, control modules and wiring
- Transmission line SCADA and communications
- Tie-in of Empire Substation to Transmission Provider's transmission line, including H frame dead-ends as the termination point of the line inside the substation associated with the tie-in of the POI 345 kV substation to the Eddy to Amrad 345 kV line. Additional details provided below:

[13] Existing static will be replaced with OPGW, as determined by Transmission Provider.

[14] Unless Transmission Provider and Transmission Customer agree, in writing, otherwise, the facilities identified in this "Other Network Upgrades" section are not to be considered Stand Alone Network Upgrades.

- The conductors shall be 795 “Drake” double bundled ACSR per phase.
- All hardware assemblies shall use EPE standard polymer insulators, bolted strain clamps on the new 3-Pole dead end structures and with compression dead-end connections at the substation dead-ends.
- Ruling Span: 400’ from the 3-pole dead-end structures to the H-frame dead-ends inside the substation.
- Loading: NESC Light District, NESC Medium District, and EPE standards.
- Maximum Conductor Operating Temperature: 212°F
- Dead-End Structure Design: Self-supported single circuit 3-Pole structures on concrete drilled pier foundations, and H frame structures.
- Design tension conductor: 25% RBS maximum under NESC Medium and 25% RBS maximum under NESC Light.
- Shield wire: (2) 3/8" 7-strand steel EHS wire on the Amrad circuit and (1) 3/8" 7-strand steel EHS wire and (1) SFPOC/SFSJ-J-4062 OPGW on the Eddy side.
- SFPOC/SFSJ-J-4062 OPGW will be run between Eddy Substation and the Empire Substation to replace the existing 3/8” 7-Strand EHS wire.[15]
- Design tension shield wire: 80% of conductor sag under 60°F Normal Conditions.
- Structure Height: Dead-end structures are 80’ total length.
- Foundations utilize reinforced drilled piers with anchor bolt cages.
- All structures are to be weathering steel

3. Distribution Upgrades: Not Applicable to this Agreement[16]

[15] See note 13.

[16] With the exception of station service equipment and facilities. Primary station power for Empire Substation will be provided via a distribution feeder. A 345 kV SSVT will be used for backup station service. Transmission Provider shall own and operate the equipment and facilities necessary for station service.

Important Notes:

Access to the site on which the Large Generating Facility and the interconnection facilities (including the 345 kV substation) are to be located will require new road(s), which are to be built by the Interconnection Customer. The costs associated for the construction of the road were not included in the estimated costs for the interconnection. The Interconnection Customer will share road access with EPE in order for EPE to operate the new 345 kV substation and EPE
Interconnection Facilities. Land rights to the portion of the site on which the substation and EPE Interconnection Facilities are to be located will be permanently transferred or assigned by Interconnection Customer to EPE in advance of the Generating Facility's Commercial Operation Date, at a date to be specified by Transmission Provider.

The remote end line protection at Eddy and Amrad will have to be upgraded for this installation. Transmission Provider will design and install this protection.

345kV line CCVTs will have to be installed at Amrad Substation on the Empire line. These line CCVTs are needed as a result of the protection system upgrades required for the interconnection. Transmission Provider will design and install these CCVTs.

All line and breaker disconnect switches will be motor operated.

Ground grid is estimated with 4/0, 19 strand bare copper, pending ground grid design.

Ground grid conductor spacing will be 25' between runs.

Security fence shall be 6' chain link fence with an additional 1' for 3-barbed wire runs.

Communications between Empire and Eddy Substations will be via OPGW. Interconnection Customer will establish a communications channel between its Large Generating Facility and Empire Substation.

A 50 MVAR 345 kV shunt reactor will be placed on the Amrad line terminal of the Empire Substation. A 345 kV synchronous breaker will control the switching of this reactor. The need for the reactor at the Empire Substation is a direct result of the Interconnection Customer's desired POI location, which calls for an existing transmission line to be split into two new line segments. Transmission operations, including the ability to effectively implement line switching orders, depends upon a reactor at the substation that marks the location where the line segments connect

to each other.

A 15.5'x 44.0' Prefabricated Drop-in Control Building will be included on the design to house all protection and control equipment for the substation.

The cost estimates identified during the Interconnection Study Process for the Large Generating Facility are simply estimates. The Interconnection Customer is responsible for paying the actual costs of interconnection facilities and network upgrades.

EPE is subject to NERC requirements that change over time and affect EPE facilities, sometimes requiring facility and equipment additions or modifications. Those requirements include NERC CIP-014 requirements under which EPE is to evaluate annually the impacts of certain facilities, including transmission substations. The level of such impacts depends on many factors and dictate the need for security installations on the EPE system based upon whether the site is considered high, medium or low impact. The Interconnection Customer is on notice that EPE's compliance with the NERC Reliability Standards may require the implementation of physical security at or in the vicinity of the POI Substation. Such compliance is to be evaluated under the timelines required under the NERC Reliability Standards.

Appendix B: Milestones

Appendix B to LGIA

Milestones[17]

Introductory Notes:

- The Interconnection Customer has exercised its Option to Build Stand Alone Network Upgrades and Transmission Provider Interconnection Facilities.

- Engineering, design and procurement have already commenced under the 2018 Agreement. Such activities will continue under this LGIA. In addition, construction will commence under this LGIA. The Interconnection Customer is to undertake its engineering, design, procurement and construction activities, subject to Transmission Provider's timely review and approval, such approval not to be unreasonably delayed or withheld. Transmission Provider is to provide design specifications and construction standards to Interconnection Customer subject to appropriate confidentiality protections. In addition, Transmission Provider is to review and approve Interconnection Customer's proposed work and designated vendors, and associated cost estimates. With respect to the procurement of materials and equipment, Interconnection Customer shall provide Transmission Provider with itemized, written schedules of materials and equipment it seeks to procure and the vendors for such materials and equipment, in advance of their procurement. The schedule of materials and equipment shall list the estimated delivered price of each item and the estimated amount of time each item will take to deliver. Interconnection Customer shall not procure any materials or equipment unless and until Transmission Provider approves the equipment design specifications and designated vendor(s) and provides written authorization to proceed that specifies the items Transmission Provider authorizes Interconnection Customer to procure. Such written authorization shall not be unreasonably delayed or withheld. Upon receipt of approval, Interconnection Customer shall procure the authorized items.

[17] The dates shown in the Milestones related to construction activities, backfeed, trial operation, etc. are estimates. Delays may be encountered for a variety of reasons, including, but not limited to right of way acquisition, permitting, inclement weather that impedes construction, the inability to take line outages due to reliability or other reasons, or Force Majeure events.

- Transmission Provider is not subject to any potential payment to Interconnection Customer of liquidated damages under Article 5 this Agreement because the Interconnection Customer has elected to proceed under Article 5.1.3 of the Agreement, and not Article 5.12 or Article 5.14 of the Agreement. Yet, Interconnection Customer has expressed a desire for Initial Synchronization/Trial Operation, and Commercial Operation Dates as shown below. Transmission Provider does not assume responsibility for their satisfaction.

- Initial Synchronization and Trial Operation typically occur at a point where facilities and equipment are in place to the extent necessary to allow for Trial Operation at full power output. Transmission Provider, in its sole discretion, may allow for trial operation at less than full power output on the Initial Synchronization milestone shown in this Appendix B even if the shunt reactor is not yet installed and operational at that time. The Transmission Provider will determine how much output of the Large Generating Facility may be allowed at that time.

	Milestone	**Date**[18]	**Responsible Party**
1	Engineering, design and procurement activities began previously under the 2018 Engineering and Procurement Agreement between the parties. Upon the effective date of the instant LGIA, engineering, design and procurement will continue without interruption, and construction activities will commence.	**Engineering and Procurement Agreement effective November 10, 2018 (FERC Docket No. ER19-317-000)**	**Both Parties**
2	Interconnection Customer has elected the Option to Build and is the Party	**Deemed confirmed upon LGIA execution**[20]	**Interconnection Customer**

[18] Notice with respect to Option to Build under LGIA Section 5.1.3: The Transmission Provider has determined that the dates identified by Interconnection Customer, including dates for Trial Operation, Initial Synchronization and Commercial Operation may not be achievable in light of the good faith timeline estimates provided by Transmission Provider in the interconnection studies. Pursuant to Section 5.1.3 of this LGIA, Interconnection Customer desires to assume responsibility (and hereby does assume responsibility) for the engineering, design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades identified in Appendix A. Transmission Provider shall oversee Interconnection Customer's activities and shall include oversight costs in its invoices to Interconnection Customer.

[20] References to the execution date shall be interpreted to mean either the date the LGIA is signed by both Parties, or the effective date of the LGIA identified by FERC in its order accepting the

	Milestone	Date[18]	Responsible Party
	performing the engineering, design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand-Alone Network Upgrades. In entering into this Interconnection Agreement, Interconnection Customer confirms to Transmission Provider its authorization to proceed with those activities for which the Transmission Provider is responsible under this Agreement.[19]		
3	Interconnection Customer provides letter of credit[21] in the amount of $ 2.2 million.	**Upon LGIA execution**	**Interconnection Customer**
4	Certification by each Party of satisfaction of all insurance requirements (per Art. 18.3.9)	**Within 10 calendar days of LGIA execution**	**Both Parties**
5	Submission of initial specifications for the Interconnection Customer's Interconnection Facilities under Art. 5.10.1, Information Submission of Transmission Provider under Art. 24.2, and Updated Information Submission of Interconnection Customer under Art. 24.3	**180 calendar days prior to Trial Operation/Initial Synchronization Date**	**Both Parties**
6	Submission of final specifications for the Interconnection Customer's Interconnection Facilities (per Art. 5.10.1)	**No later than 90 calendar days following tender of initial specifications, and at least 90 calendar days prior to Trial Operation/Initial Synchronization Date**	**Interconnection Customer**
7	Control Area written notification by Interconnection Customer (per Art. 9.2)	**At least three months before Energization of Interconnection Customer's Interconnection Facilities**	**Interconnection Customer**

LGIA.

[19] Interconnection Customer roles and responsibilities and Transmission Provider roles and responsibilities are identified in this Agreement, and set forth in greater detail in Appendices A, C and G. The text of the Agreement contains requirements and timing specifications other than those identified in this Appendix B. Their absence in Appendix B does not mean that they are being waived.

[21] Or other form of security reasonably acceptable to Transmission Provider.

	Milestone	Date[18]	Responsible Party
8	Interconnection Customer to submit to Transmission Provider United States Bureau of Land Management (BLM) rights of way and any other access rights to the site on which Empire Substation is located, and access rights to the site on which the tie-in of the Amrad-Eddy 345 kV transmission line to Empire Substation is located[22]	**Following Interconnection Customer's completion of the Empire Substation and all of its components[23] [24]**	**Interconnection Customer**
9	Transmission Provider to (a) install Network Upgrades for which it is responsible (Network Upgrades other than Stand-Alone Network Upgrades), and (b) perform the tie-in of its Amrad-Eddy 345 kV transmission line to the Empire Substation constructed by ~~Interconnection Customer~~	**May 6, 2020, or 12 weeks after Interconnection Customer provides to Transmission Provider, at Transmission Provider's specific request, authorization from BLM to be on the site,[25] whichever occurs later (subject to outage coordination and**	**Transmission Provider**

[22] Interconnection Customer is to secure authorization from BLM for the Transmission Provider to be on the site of the Empire Substation and the site on which the tie-in is located so that Transmission Provider may proceed with its work. The land access authorizations that Interconnection Customer is to tender to Transmission Provider under this milestone is to include access rights to the east-west access road parallel to Lovington Highway. At this stage in the milestones, the access rights to be tendered by Interconnection Customer to Transmission Provider may be temporary in nature but shall be sufficient to enable Transmission Provider to perform the activities required for completion of Network Upgrades other than Stand Alone Network Upgrades. A permanent transfer of rights, ownership and title to land, equipment and facilities from Interconnection Customer to Transmission Provider shall occur at a date (if in increments, at dates) specified by Transmission Provider. In tendering to Transmission Provider land rights to permit Transmission Provider to complete its responsibilities under this Agreement, Interconnection Customer is not transferring to Transmission Provider liability for damages, defects and/or losses associated with the activities of Interconnection Customer and its contractors. Transmission Provider shall have the right to review and approve, in writing, the land rights before Interconnection Customer transfers them to Transmission Provider.

[23] With the exception of the shunt reactor, which may to be installed after the tie-in.

[24] Transmission Provider will notify Interconnection Customer in writing when Transmission Provider finds that the Interconnection Customer's work in constructing the Empire Substation has reached the point at which Transmission Provider desires to receive authorization to perform its own work at the site. Transmission Provider will be keeping track of the Interconnection Customer's activities through the use of checklists. Those checklists will allow Transmission Provider to determine when the Empire Substation is ready for the Transmission Provider to perform its tasks at the site, including, but not limited to, protection and control system installation.

[25] The 12-week window will begin (1) after the Transmission Provider notifies the Interconnection Customer, in writing, that the Stand Alone Network Upgrades and Transmission Provider Interconnection Facilities have reached the point where Transmission Provider can begin its own installations at the site and therefore requests, and (2) Interconnection Customer provides BLM authorization and access road rights necessary for Transmission Provider to be on the site for the performance of its activities.

Milestone	Date[18]	Responsible Party
	Transmission Provider approval)[26]	
10 Energization of Interconnection Customer's Interconnection Facilities up to the Generating Facility site substation, excluding collection system and turbines	**Later of (1) May 13, 2020, or (2) after all of the following activities are completed: (a) Transmission Provider completes those Network Upgrades for which it is responsible (i.e., Network Upgrades other than Stand-Alone Network Upgrades, including the tie-in), (b) Interconnection Customer installs its SVC/STATCOM[27], and (c) Interconnection Customer installs and validates its protection system equipment and tenders to Transmission Provider those test results.**	**Interconnection Customer**
11 Interconnection Customer's desired Initial Synchronization Date, which marks the beginning of Trial Operation, including export power testing sequence start, subject to restrictions by Transmission Provider if not all equipment and facilities are in place and in service.[28]	**Later of (1) June 15, 2020, or (2) after satisfaction of the activities required for Energization of Interconnection Customer's Interconnection Facilities up to the Generating Facility site substation, excluding collection system and turbines**	**Interconnection Customer**

[26] Transmission Provider typically does not permit transmission line outages from mid-May to late September. The tie-in will require a line outage.

[27] The SVC/STATCOM must be installed before energization of the gen-tie line and Trial Operation unless the Transmission Provider determines otherwise at the time.

[28] Transmission Provider may limit the Generating Facility's output during Trial Operation until final testing, commissioning and operation of all facilities and equipment required for the interconnection.

Milestone	Date[18]	Responsible Party
12 Energization and initial testing of 50 MVAR 345 kV shunt reactor at Empire Substation, contingent upon Interconnection Customer meeting its Option to Build obligations	**Later of (1) July 15, 2020, or (2) after Transmission Provider installs Network Upgrades for which it is responsible (Network Upgrades other than Stand-Alone Network Upgrades) and completes the tie-in of its Amrad-Eddy 345 kV transmission line to the Empire Substation**	**Interconnection Customer, with Transmission Provider present**
13 Interconnection Customer's desired Commercial Operation Date (COD)	**September 30, 2020**	**Interconnection Customer**

Appendix C: Interconnection Details

Appendix C to LGIA

Interconnection Details

The Large Generating Facility: the Oso Grande Wind Generating Facility

The Large Generating Facility is a 247.4 MW wind generating facility consisting of 48 Siemens Gamesa SG-4.5 MW and 13 Siemens SWT-2.415 MW wind turbines. The initial voltages will be stepped up to 34.5 kV. Two transformers will step up the collector voltage to the final voltage of 345 kV before it is transmitted through an approximately 35-mile gen-tie line to the Empire Substation. The Empire Substation is to be constructed for the purpose of interconnecting the Large Generating Facility to the

Transmission Provider's transmission system at a location on Transmission Provider's existing Amrad-Eddy 345 kV transmission line. An SVC/STATCOM device for dynamic reactive support of +/- 48 MVAR (i.e., leading/lagging 48 MVAR) is to be installed by Interconnection Customer on the Interconnection Customer's side of the Point of Change of Ownership (PCO).[29] In addition, capacitors are to be installed by Interconnection Customer on the Interconnection Customer's side of the PCO. The connection and configuration of the Large Generating Facility's

interconnection to the Transmission Provider's transmission system is shown in a diagram attached to this LGIA.[30] Although not depicted in the

[29] The Transmission Provider strongly recommended that the SVC/STATCOM be installed by Interconnection Customer at a location near the PCO, because Transmission Provider's evaluation of the models provided by Interconnection Customer revealed issues regarding the ability of the Large Generating Facility output to reach the Point of Interconnection with such an SVC/STATCOM sized at 48 MVAR. Unit tripping and voltage issues were observed in the model simulations. However, the Interconnection Customer strongly desires to locate the SVC/STATCOM at the site of its generating facility. The Interconnection Customer does not agree with the Transmission Provider's concerns, and accepts the risks associated with installing its SVC/STATCOM such a long distance from the PCO. Transmission Provider will not be responsible for remedying issues associated with the Interconnection Customer's decision.

[30] Configuration shown in the diagram is subject to adjustment once final design is completed.

diagram: (a) the Interconnection Customer's gen-tie is long (approximately 35 miles long), and (b) the final design may provide for a PCO dead-end structure within the Empire Substation perimeter.

Because the Large Generating Facility is a wind resource, the
Interconnection Customer is required to provide to Transmission Provider meteorological and forced outage data as set forth in Article 8.4 of this Agreement.

Interconnection Customer is Generator Owner and Generator Operator of the Large Generating Facility. Interconnection Customer has selected the site of the Large Generating Facility and the type of wind turbines and other equipment for installation at the site of the Large Generating Facility. Transmission Provider does not guarantee the performance of Large Generating Facility, or the capability of the turbines to start and/or operate as designed and desired by Interconnection Customer.

The Type of Interconnection Service

Energy Resource Interconnection Service, on an as-available basis, up to a maximum of 247.4 MW.

Balancing Authority

The Large Generating Facility will not be located in the Transmission Provider's Balancing Authority Area. Tucson Electric Power Company (Tucson) is to serve as the Balancing Authority for the Large Generating Facility and its output. The output is to be dynamically transferred to Tucson by dynamic schedule or by pseudo tie, at Transmission Provider's option.

The Role of EPE as Transmission Owner and Transmission Provider

The Interconnection Customer is on notice that the Amrad-Eddy 345 kV transmission line is not solely owned by EPE. Public Service Company of New Mexico ("PNM") is a co-owner of the transmission line, and pre-existing agreements between EPE and PNM govern modifications to the transmission line. EPE identified PNM as an Affected System with respect to the proposed interconnection. EPE is to serve in the role of Transmission Provider under this Agreement, with the expectation and understanding that the transmission facilities that are being procured, installed and/or constructed under this Agreement are to be owned by EPE, in full.

Transmission Provider agrees to use commercially reasonable efforts in resolving possible issues with its facility co-owner in a manner that would allow Transmission Provider to provide interconnection service under this Agreement.

Environmental Work and Land and Access Rights

Environmental services and the acquisition of land rights and any permitting associated with Transmission Provider Interconnection Facilities, StandAlone Network Upgrades (including the Empire Substation) and Network Upgrades (including the tie-in of the Empire Substation to the Eddy-Amrad 345 kV transmission line) will be handled by the Interconnection Customer, except as provided in Subsection 4, below:

1. The substation is located on United States Bureau of Land Management (BLM) Public Land. Development of BLM land requires precise coordination and thorough report preparation. This may include surveys for wetlands, waterbodies, threatened and endangered species, and cultural resource sites.
2. There is a cultural site located on the eastern edge of the substation.

3. There are multiple threatened and endangered species listed throughout Eddy County, New Mexico. Surveys may be required to verify presence/absence.
4. In circumstances in which the 345 kV tie-in requires access to and/or structural work within Transmission Provider's transmission right-of-way corridor, Transmission Provider shall perform such work. In addition, the electrical connection between the Empire Substation and the Amrad to Eddy 345 kV transmission line will be performed by Transmission Provider.

Line Outages

Interconnection Customer shall be responsible for compensating Transmission Provider for costs (e.g., redispatch costs) associated with taking line outages associated with the construction, testing and in-service activities under this Agreement.

Scheduling Risks and Factors

The following schedule risks were identified during the interconnection study process regarding the facility upgrades required for the interconnection of the Large Generating Facility:

1. The timing and duration to acquire the necessary land acquisition/easements and environmental services/permitting may have an adverse impact on the project schedule.
2. Denial of line outages required for project construction could result in schedule delays. Transmission line outages are:
    a. typically not taken from mid-May to late September,

b. discouraged during extreme winter conditions or at times during which the system is operating under stressed conditions,[31] and

c. in some cases, must be scheduled twelve (12) or more months in advance.

3. Delays in project funding may have an adverse impact on the project schedule.
4. Delays in engineering, procurement and testing of major equipment may have an adverse effect on the project schedule.
5. Changes to the soil conditions revealed by the geotechnical borings could influence the design/scope and lead to schedule and cost impacts.
6. General construction activities have the potential to be delayed due to inclement weather.
7. The shunt reactor identified as necessary for the interconnection may not be available and in service until after the Interconnection Customer's desired Commercial Operation Date. During the period before the shunt reactor is installed and ready to be placed in service, Transmission Provider, in its sole discretion, may permit Interconnection Customer's Large Generating Facility to generate output for tender to Empire Substation, subject to the Transmission Provider's right to direct the curtailment of Interconnection Customer's Large Generating Facility output as necessary, without restriction. Transmission Provider will disable the breakers at the Amrad and Eddy sides of Empire Substation until the

[31] Even once outages are granted and scheduled, last minute denials, sometimes without notice, can occur due to dynamically changing system limitations and unanticipated contingencies.

reactor is in service, so that during a fault, the breakers will open at Amrad and Eddy and not at Empire Substation.

Operating Procedure

I. STATEMENT OF PURPOSE

The Interconnection Customer's Large Generating Facility (the 247.4 MW Oso Grande Wind Generating Facility) may adversely impact the start-up and/or operation of the Eddy County HVDC Terminal. Components of the Oso Grande Wind Generating Facility, including, specifically, the facility's inverters, may interfere with the terminal's ability to start-up and operate. Transmission Provider may give operating instructions to Interconnection Customer, as Generator Operator of the Large Generating Facility. Such operating instructions may include instructions for the Generator Operator to reduce its electrical output and/or take off-line its Large Generating Facility.

II. PROTECTING TERMINAL START-UP AND/OR OPERATION

a. The terminal is stopped and restarted whenever the direction of flow through the terminal must be changed. In addition, the terminal must be restarted after forced and unforced outages. Operating the terminal, including and especially during start-up operations, requires sufficient short-circuit duty and reactive power.

b. When the terminal must be started to effectuate transactions across it, such start-up activities typically occur in advance of 10:00 AM MST. Once the terminal is on, the terminal typically remains on for minimum standard durations. Once the terminal is off, the terminal typically remains off for minimum standard durations.

c. If an entity that directly interconnects to the terminal declares an Emergency under the NERC Reliability Standards, including an Energy or Capacity Emergency, then that party may utilize the terminal in a manner consistent with curing the declared emergency.[32]

III. OPERATING INSTRUCTIONS

a. Transmission Provider will fashion its operating instruction in a manner that does not unnecessarily restrict Generator Operator's operations beyond what is required.

b. Generator Operator of Interconnection Customer shall comply with all operating instructions.

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[32] At present, the entities directly interconnected to the terminal are: Transmission Provider, Public Service Company of New Mexico, and Southwestern Public Service Company. Southwestern Public Service Company is part of the Southwest Power Pool.

c. The circumstances more likely to give rise to the need for any such operating instructions are when:
    - The terminal is primed for start-up, or flow across the terminal is changing direction, thereby requiring the terminal to be removed from service, before being re-started
    - The Large Generating Facility is at start-up, or is starting and activating inverters after intermittent operations
    - Short circuit duty is low and/or reactive power is deficient
    - Commutation across the terminal ceases
    - A portion of Transmission Provider's transmission system at/near Empire Substation is out of service or is being brought back to connectivity after being out of service
    - Emergency or other adverse conditions are anticipated by Transmission Provider or are imminent

d. Transmission Provider will perform operating studies, as necessary, to appropriately inform the scope, timing and duration of operating instructions.

e. When circumstances/conditions that gave rise to the operating instructions are relieved or no longer present, Transmission Provider will communicate with Generator Operator.

* During emergency conditions or other conditions in which the Transmission Provider's system is stressed, Transmission Provider may deviate from this operating procedure, as necessary and appropriate, consistent with Good Utility Practice.

Appendix D: Security Arrangements Details

Appendix D to LGIA

Security Arrangements Details

Infrastructure security of Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day Transmission System reliability and operational security. FERC will expect all entities, including Transmission Providers, market participants, and Interconnection Customers interconnected to the Transmission System to comply with the Reliability Standards promulgated by FERC and administered by the North American Electric Reliability Corporation (NERC) and associated Regional Reliability Organizations (RRO). In EPE's service territory, the RRO is the Western Electricity Coordinating Council (WECC).

Appendix E: Commercial Operation Date

Appendix E to LGIA

Commercial Operation Date

This Appendix E is a part of the LGIA between Transmission Provider and Interconnection Customer.

[Date]

[Transmission Provider Address]

Re: The Oso Grande Large Generating Facility

Dear _____:

On **[Date] [Interconnection Customer]** has completed Trial Operation of the Oso Grande Large Generating Facility. This letter confirms that [Interconnection Customer] commenced Commercial Operation of the Large Generating Facility, effective as of [**Date plus one day**].

Thank you.

[Signature]

[Interconnection Customer Representative]

Appendix F: Addresses for Delivery of Notices and Billings

Appendix F to LGIA

Addresses for Delivery of Notices and Billings

Notices:

Transmission Provider:

EPE System Planning
Attn: **David Tovar**
P.O. Box 982 - LOC 751
El Paso, Texas 79960

EPE System Planning
Attn: **Roberto Favela**
P.O. Box 982 - LOC 751
El Paso, Texas 79960

Interconnection Customer:

EDF Renewables
Attn: **Jason Kemper**
Senior Manager, Transmission
EDF Renewables
1600 Stout Street, Suite 1510
Denver, CO 80202

Billings and Payments:

Transmission Provider: Same as above

Interconnection Customer: Same as above

Alternative Forms of Delivery of Notices (telephone and email):

Transmission Provider:

David Tovar
(915) 543-4355
dav.tovar@epelectric.com

Roberto Favela
(915) 521-4418
roberto.favela@epelectric.com

Interconnection Customer:
Jason Kemper
(303) 568-1277
jason.kemper@edf-re.com

Appendix G: Interconnection Requirements for a Wind Generating Plant

Appendix G to LGIA
Interconnection Requirements for a
Wind Generating Plant

Appendix G sets forth requirements and provisions specific to a wind generating plant. All other requirements of this LGIA continue to apply to wind generating plant interconnections; provided, however, that at the time this LGIA is being entered into, NERC is posting additional guidance and potential requirements to be applicable to non-synchronous generating resources with respect to performance and response, among other things. To the extent any NERC-posted guidance or standards issued before or during the term of this LGIA provide for more stringent measures than those identified in this LGIA, Interconnection Customer shall adhere to the more stringent measures. At least 90 days prior to energization of the Large Generating Facility, Interconnection Customer shall conform to NERC's Inverter-Based Resource Performance Guideline in its then-current form, unless this Agreement specifically calls for more stringent measures.

A. Technical Standards Applicable to a Wind Generating Plant

i. Low Voltage Ride-Through (LVRT) Capability

A wind generating plant shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard below. The LVRT standard provides for a transition period standard and

a post-transition period standard.

Transition Period LVRT Standard - Not Applicable

The transition period standard applies to wind generating plants subject to FERC Order 661 that have either: (i) interconnection agreements signed and filed with the Commission, filed with the Commission in unexecuted form, or filed with the Commission as non-conforming agreements between January 1, 2006 and December 31, 2006, with a scheduled in-service date no later than December 31, 2007, or (ii) wind generating turbines subject to a wind turbine procurement contract executed prior to December 31, 2005, for delivery through 2007.

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 - 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles at a voltage as low as 0.15 p.u., as measured at the high side of the wind generating plant step-up transformer (i.e. the transformer that steps the voltage up to the transmission interconnection voltage or “GSU”),

after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system.

2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.

3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.

4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr Compensator, etc.) within the wind generating plant or by a combination of generator performance and additional equipment.

5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

Post-transition Period LVRT Standard

All wind generating plants subject to FERC Order No. 661 and not covered by the transition period described above must meet the following requirements:

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 - 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system. A wind generating plant shall remain interconnected during such a fault on the transmission system for a voltage level as low as zero volts, as measured at the high voltage side of the wind GSU.
2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU.
3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.
4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr Compensator) within the wind generating plant or by a

combination of generator performance and additional equipment.

5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

ii. Active Power Frequency Control

Dynamic response of the active power-frequency control system of the Large Generating Facility, as measured at the Point of Interconnection, should have the capability to meet or exceed the performance specified in Table 1.

Table 1: Dynamic Active Power-Frequency Performance

Parameter	Description	Performance Target
For a step change in frequency as measured at the POI…		
Reaction Time	Time between the step change in frequency and the time when the resource active power output begins responding to the change[33]	< 500 ms
Rise Time	Time in which the resource has reached 90% of the new steady-state (target) active power output command	< 4 sec
Settling Time	Time in which the resource has entered into, and remains within, the settling band of the new steady-state active power output command	< 10 seconds
Overshoot	Percentage of rated active power output that the resource can exceed while reaching the settling band	< 5%**
Settling Band	Percentage of rated active power output that the resource should settle to within the settling time	< 2.5%**

** Percentage based on final (expected) settling value

The Interconnection Customer shall adequately response to frequency excursion events outside a +- 0.036 Hz deadband. The Interconnection Customer will reserve generation headroom to provide the frequency ride-through response, and the Large Generating Facility shall respond to overfrequency excursion events outside the deadband by reducing active power output in accordance with the 5 percent droop specification.

iii. Power Factor Design Criteria (Reactive Power)

The following reactive power requirements apply only to a newly interconnecting wind generating plant that has executed a Facilities Study Agreement as of the effective date of the Final Rule establishing the reactive power requirements for non-synchronous generators in section 9.6.1 of this LGIA (Order No. 827). A wind generating plant to which this provision applies shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this LGIA, which requirement is applicable to the instant interconnection and necessary to ensure safety or reliability. The power factor range standard shall be dynamic and can be met by using, for example, power electronics designed to supply this level of reactive capability). The Interconnection Customer shall not disable power factor equipment while the wind plant is in operation. Wind plants shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system; the dynamic

voltage support requirements of the Interconnection Customer's Large Generating Facility are addressed in greater detail in this Agreement, including in this Appendix G.

The reactive capability of the Large Generating Facility shall be dynamic (rather than static), and be able to supply and absorb reactive current to control Point of Interconnection voltage. Static reactive compensation is only to be used for compensating for losses in the collector system. The Large Generating Facility shall operate primarily in voltage support mode. Following a trip, the Large Generating Facility's total return time shall not exceed 1 second from momentary cessation, and the Large Generating Facility shall have an operating ramp rate of 200%/sec.

The Interconnection Customer is required to configure and operate the Large Generating Facility in the automatic voltage control mode necessary to control voltage at the Point of Interconnection to maintain the scheduled voltage provided by Transmission Provider. Transmission Provider and Interconnection Customer shall coordinate with each other to permit Transmission Provider to perform studies on a periodic basis to ensure that voltage schedules and voltage controls are coordinated across the Large Generating Facility and other transmission-connected reactive power devices. Studies shall demonstrate that the Large Generating Facility complies with the most current NERC guidelines and standards.

The Large Generating Facility shall have the capability to meet or exceed the performance specified in Table 2 and Table 3. Interconnection Customer shall demonstrate compliance with these requirements.

Table 2: Small Disturbance Reactive Power-Voltage Performance

Parameter	Description	Performance Target
For a step change in voltage as measured at the POI…		
Reaction Time	Time between the step change in voltage and when the resource reactive power output begins responding to the change[34]	< 500 ms*
Rise Time	Time between a step change in control signal input (reference voltage at POI) and when the reactive power output changes by 90% of its final value	< 1-30 sec**
Overshoot	Percentage of rated reactive power output that the resource can exceed while reaching the settling band	< 5%***

* Reactive power response to change in POI voltage should occur with no intentional time delay. ** Response time may be modified based on studied system characteristics.
*** Any overshoot in reactive power response should not cause BPS voltages to exceed acceptable voltage limits.

Table 3: Large Disturbance Reactive Current-Voltage Performance

Parameter	Description	Performance Target
For a large disturbance step change in voltage, where voltage falls outside the continuous operating range, the positive sequence component of the inverter reactive current response should meet the following performance specifications…		
Reaction Time	Time between the step change in voltage and when the resource reactive current output begins responding to the change[35]	< 16 ms
Rise Time	Time between a step change in control signal input (reference voltage at POI) and when the reactive current output changes by 90% of its final value	< 100 ms
Overshoot	Percentage of rated reactive current output that the resource can exceed while reaching the settling band	Determined by the TP/PC*

* Any overshoot in reactive power response should not cause BPS voltages to exceed acceptable voltage

limits. The magnitude of the dynamic response may be requested to be reduced by the TP or PC based on stability studies.

iv. Supervisory Control and Data Acquisition (SCADA) Capability

The wind plant shall provide SCADA capability to transmit data and receive instructions from the Transmission Provider to protect system reliability. The Transmission Provider and the wind plant Interconnection Customer shall determine what SCADA information is essential for the proposed wind plant, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability in its area.

Appendix 7 INTERCONNECTION PROCEDURES FOR A WIND GENERATING PLANT

APPENDIX 7 TO LGIP

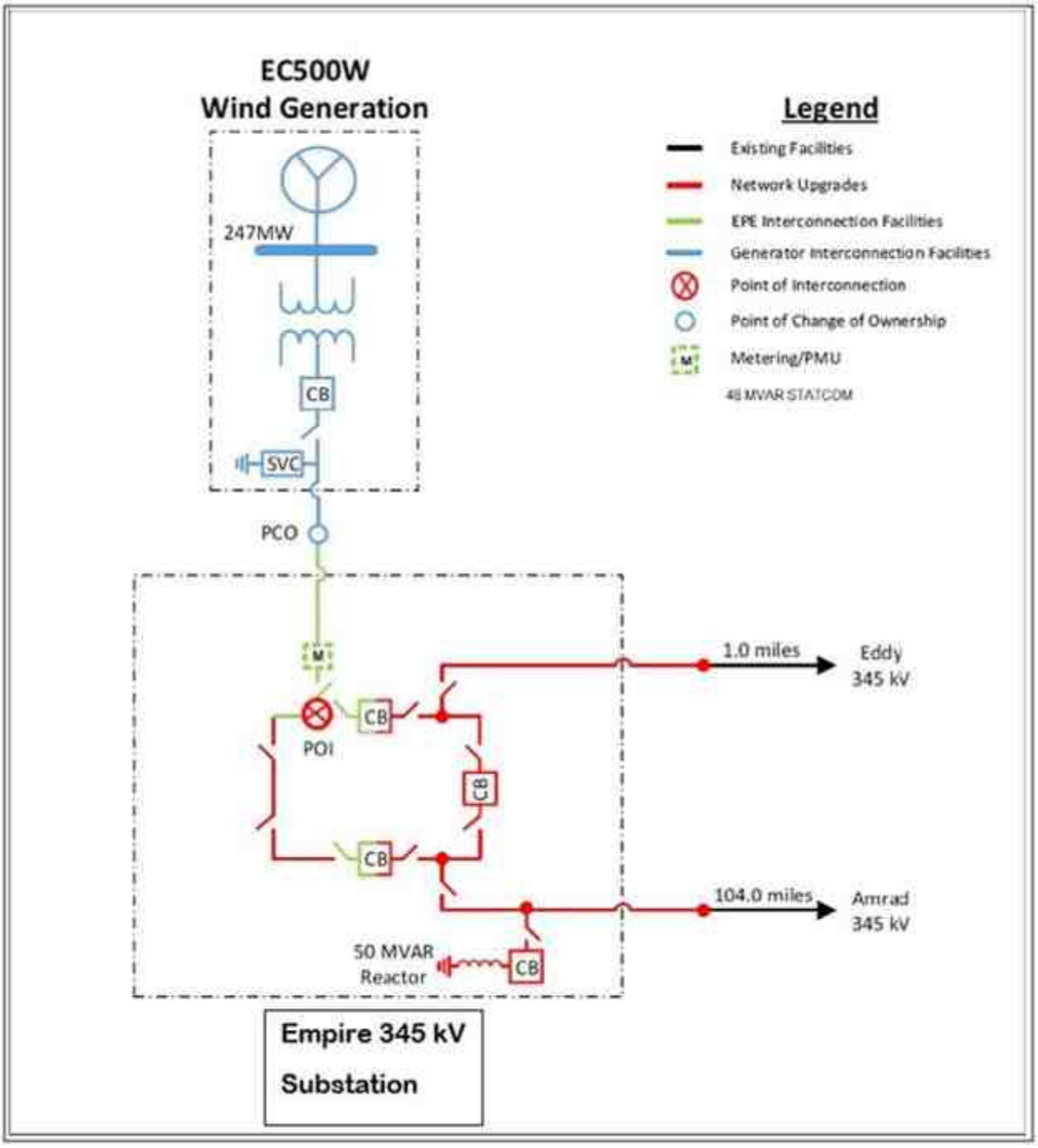
INTERCONNECTION PROCEDURES FOR A WIND GENERATING PLANT

Appendix G sets forth procedures specific to a wind generating plant. All other requirements of this LGIP continue to apply to wind generating plant interconnections.

A. Special Procedures Applicable to Wind Generators

The wind plant Interconnection Customer, in completing the Interconnection Request required by section 3.3 of this LGIP, may provide to the Transmission Provider a set of preliminary electrical design specifications depicting the wind plant as a single equivalent generator. Upon satisfying these and other applicable Interconnection Request conditions, the wind plant may enter the queue and receive the base case data as provided for in this LGIP.

No later than six months after submitting an Interconnection Request completed in this manner, the wind plant Interconnection Customer must submit completed detailed electrical design specifications and other data (including collector system layout data) needed to allow the Transmission Provider to complete the System Impact study.


EC500W
Wind Generation
247MW
CB
SVC
PCO
M
POI
CB
CB
CB
1.0 miles
Eddy
345 kV
104.0 miles
Amrad
345 kV
50 MVAR
Reactor
CB
Empire 345 kV
Substation
Legend
Existing Facilities
Network Upgrades
EPE Interconnection Facilities
Generator Interconnection Facilities
Point of Interconnection
Point of Change of Ownership
Metering/PMU
48 MVAR STATCOM

Tariff Submitter:	El Paso Electric Company
FERC Tariff Program Name:	FERC FPA Electric Tariff
Tariff Title:	Open Access Transmission Tariff
Tariff Record Proposed Effective Date:	December 21, 2019
Tariff Record Title:	OATT, Nonconforming Service Agreements, Service Agreement No. 326, Long-Term Conditional Firm PTP Agreement with EDF, 0.0.0
Option Code:	A
The Entity Receiving Service Under the Agreement:	EDF Renewables Development, Inc.
Brief Description of the Service Agreement:	Long-Term Conditional Firm Point-to-Point Transmission Service

Service Agreement
For Conditional Firm Point-To-Point Transmission Service

1.0 This Service Agreement ("Service Agreement" or "Agreement"), dated as of December 6th, 2019, is entered into, by and between El Paso Electric Company ("Transmission Provider"), and EDF Renewables Development, Inc. ("Transmission Customer").

2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Firm Point-To-Point Transmission Service under the Transmission Provider's Open Access Transmission Tariff "Tariff").

3.0 The Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Article 17.3 of the Tariff.

4.0 Service under this agreement shall commence on the later of (l) the requested service commencement date, subject to the conditions and restrictions identified in the Agreement pursuant to which service may begin after some, but not all, Direct Assignment Facilities and/or Network Upgrades are completed, or (2) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on the date mutually agreed upon by the parties and shown in the Specifications, Section 1.0.

5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Conditional Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement. Important provisions associated with the service to be provided, and the conditions under which it is to be provided are contained in the Specifications and Appendices. At the time this Service Agreement is being entered into, there is uncertainty regarding the facilities that will be required to provide the requested service beginning on the Start Date. The following factors are among the factors contributing to the uncertainty:

a. Changes in certain senior-queued requests may result in significant changes to the facilities identified in the study work completed to date with respect to Transmission Customer's requested transmission service;[1] and

b. The requested transmission service calls for construction and installations on

[1] Changes to senior queued generator interconnection requests identified as AC120SB and EC500W may result in changes to the facilities identified as necessary for service under the instant Agreement, giving rise to the potential increase or decrease in the facilities necessary for service under the instant Agreement.

facilities co-owned by entities other than Transmission Provider, and currently-effective Commission-approved rate schedules require processes to unfold between Transmission Provider and the facility co-owners with respect to the rights and obligations associated with the new facilities as between the Transmission Provider and co-owners.

Transmission Customer understands these factors are contributing to uncertainty with respect to the facilities that will ultimately be determined to be required for its requested service. In entering into this Service Agreement, Transmission Customer agrees to compensate the Transmission Provider for all costs incurred pursuant to the provisions of the Tariff.

6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

El Paso Electric Company
Attn: OASIS Admin LOC 751
P.O. Box 982
El Paso, TX 79960
TSR_requests@epelectric.com

Transmission Customer:

Justin Radl
Sr. Manager, Transmission & Market Analytics
EDF Renewables
10 2nd St., NE, Suite 400
Minneapolis, MN 55413
Justin.Radl@edf-re.com

7.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: _____ Name ADRIAN J. RODRIGUEZ | INTERIM CHIEF EXECUTIVE OFFICER | 12-9-2019

Title | Date

Transmission Customer:



By:	Ryan Pfaff	EVP, Grid-Scale Power	12/6/2019
	Name	Title	Date

Specifications for Conditional Firm Point-To-Point Transmission Service

1.0 ***Term of Transaction***: Five (5) Years

Start Date: January 1, 2021 Hour 00:00 MS OASIS TSR Ref #87952110

Termination Date: January 1, 2026 Hour 00:00 MS

2.0 ***Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates***.

Wind generation from the Oso Grande Wind Generating Project in Chaves County, New Mexico. The electric Control Area/Balancing Authority Area in which the transaction originates (where the generation is to be located) is Tucson Electric Power Company. Transmission Customer understands that Transmission Provider has determined that the transmission service to be provided under this Agreement is generation dependent. Specifically, the capability of the Transmission Provider's transmission system to provide service under this Agreement is dependent on the presence of Transmission Customer's Oso Grande Wind Generating Project at the Point of Receipt and is only available for the delivery of electricity generated at the Oso Grande Wind Generating Project. The Transmission Customer will be billed for its Reserved Capacity beginning on the Start Date identified in Section 1.0 above, without regard to the status of the Oso Grande Wind Generating Project. There are other conditions associated with service to the Transmission Customer under this Agreement. See Section 10.0, below, and Appendix B.

3.0 ***Point(s) of Receipt:*** The Empire 345 kV Substation in Eddy County, New Mexico, which is to be constructed under a Large Generating Facility Interconnection Request identified as EC500W. EC500W is a 247.4 MW wind generating facility seeking Energy Resource Interconnection Service from Transmission Provider. The Empire 345 kV Substation is to tie into Transmission Provider's Amrad-to-Eddy 345 kV
transmission line.

Delivering Party: Transmission Customer

4.0 ***Point(s) of Delivery***: Springerville 345 kV Substation

Receiving Party: Tucson Electric Power Company

5.0 ***Maximum amount of capacity and energy to be transmitted (Reserved Capacity)***: 65 MW

6.0 ***Designation of party(ies) subject to reciprocal service obligation***: None

7.0 ***Name(s) of any Intervening Systems providing transmission service***: None. This Agreement requires construction on facilities co-owned by Transmission Provider and a third-party, and assumes that the facilities are to be solely owned by Transmission Provider, such that transmission service on co-owned facilities by the third-party owner of such facilities will not be required of Transmission Customer. See Section 10.

8.0 ***Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)***

8.1 ***Transmission Charge***:

The "higher of" (a) the Tariff's Schedule 7 yearly delivery charge for Reserved Capacity for Long-Term Firm Point-to-Point Transmission Service, and (b) an incremental rate calculated based on the cost of facilities identified as required for service under this Agreement, consistent with the Commission's "higher of" policy. The Schedule 7 yearly delivery charge for Reserved Capacity is currently shown in Section A of the Transmission Provider's Tariff Schedule 7. Other charges are associated with transmission service under this Agreement, as applicable under the Tariff, including, for example, ancillary service charges.

If Transmission Provider's "higher of" evaluation identifies an incremental rate as the higher of rate, Transmission Provider shall make a filing with the Commission, in advance of the Start Date, to place on file the "higher of" rate.[2] Transmission Provider will provide Transmission Customer an opportunity to review the proposed transmission rate a minimum of 7 days prior to filing the rate with the Commission. Transmission Customer reserves its right to intervene and protest Transmission Provider's "higher of" rate filing.

8.2 System Impact and/or Facilities Study Charge(s):

Not Applicable. Transmission Provider separately invoices Transmission Customer for study costs, and Transmission Customer pays such invoices.

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[2] Transmission Provider will perform the "higher of" evaluation at a time when there is greater certainty with respect to the facilities and equipment necessary for service under this Agreement.

8.3 ***Direct Assignment Facilities Charge***:

Not Applicable. If the "higher of" rate addressed in Section 8.1, above, is an incremental rate, then the cost of facilities required for service under this Agreement will be directly assigned to Transmission Customer for the purpose of developing the incremental rate. This does not mean that the Network Upgrades identified as necessary to provide service are ineligible for reimbursement through crediting on invoices tendered for service under this Agreement.

8.4 ***Ancillary Services Charges***:

Schedules 1 and 2, as those charges may change from time to time during the term of this Agreement. Other ancillary service schedule charges, if applicable and requested by Transmission Customer and agreed to by Transmission Provider, are to be assessed under this Agreement, as those charges may change from time to time during the term of this Agreement; provided, however, that Transmission Provider is not obligated to provide the following Ancillary Services, because neither the generating resource nor the load being served is in the Transmission Provider's Balancing Authority Area: Schedules 3, 4, 5, 6 and 9.

9.0 ***Facilities***: The study work performed to date has identified the facilities shown in Appendix A as necessary to provide the requested service to the Transmission Customer. Transmission Provider makes no commitment to Transmission Customer in this Agreement that the activities to be performed under this Agreement will permit service by the requested Start Date of January 1, 2021. Transmission Provider shall not be liable for any cost or damage incurred by Transmission Customer because of any delay in the work provided for in this Agreement; provided, however, that for its part Transmission Provider will use reasonable efforts to avoid unnecessary delay.

10.0 ***Conditions***: Availability of service under this Agreement is conditional, based upon the following:

a. At the time of execution of this Agreement, the Point of Receipt for the requested service does not exist. It is among the facilities to be constructed under interconnection project EC500W, a senior-queued request for interconnection service. The Transmission Customer is the Interconnection Customer under that senior-queued request. Transmission service under this Agreement is dependent upon the completion and in-service of the Empire 345 kV Substation. The Empire 345 kV Substation is the Point of Interconnection substation under the

senior interconnection request, and will serve as the Point of Receipt under the instant Agreement for transmission service.

b. The requested service requires new construction and installations on facilities co-owned by an entity other than Transmission Provider, and currently-effective Commission-approved rate schedules require that Transmission Provider and the co-owner reach agreement with respect to the rights and obligations associated with the new facilities, as between the Transmission Provider and co-owner. Transmission service under this Agreement is dependent upon successful resolution between Transmission Provider and its facility co-owner, under which Transmission Provider will solely own and operate the newly constructed and installed facilities required for the requested transmission service. Transmission Provider agrees to use commercially reasonable efforts in resolving possible issues with its facility co-owner in a manner that would allow Transmission Provider to provide service under this Agreement. The Transmission Provider will move forward with engineering, design and construction activities, as permissible, while resolving matters with its facility co-owner. The Transmission Provider shall notify the Transmission Customer in writing of the basis for any decision that construction on co-owned facilities must be deferred and the specific problems which must be resolved before it can be initiated or resumed. If the lack of resolution between Transmission Provider and its facility co-owner prevents the Transmission Provider from being able to commence service under this Agreement on the Start Date, then Transmission Provider will not begin assessing transmission charges under this Agreement on the Start Date. Co-owner resolution is a prerequisite for this Agreement's becoming effective.

c. The Point of Delivery for the requested service is Springerville 345 kV Substation, an existing Point of Delivery under Transmission Provider's Tariff. The study work performed has shown that a phase-shifting transformer ("PST") would be necessary to force flows to the Transmission Customer's desired Point of Delivery. As described in Appendix B, Transmission Provider and Transmission Customer, in coordination with Tucson Electric Power Company, have agreed on an alternative resolution that obviates the need for a PST to force the flow of power to Springerville. This Agreement is conditioned upon the resolution of that matter, as described in Appendix B.

d. The Transmission Provider has identified a number of facilities that are necessary to provide the requested service to Transmission Customer. The study work performed to date has identified the facilities shown in

Appendix A. After the completion and in-service date of the Empire 345 kV Substation addressed in (a) above, and assuming successful resolutions of the co-ownership issue addressed in (b) above and the PST issue addressed in (c) above, transmission service under the instant Agreement would be available upon completion of the facilities identified in Appendix A. However, there may be conditions under which Transmission Customer may receive partial transmission service under this Agreement for the period before all facilities necessary for the service are completed and in service. For this period before the Appendix A facilities are completed and in-service, and subject to the conditions identified in (a), (b) and (c), above, service under this Agreement may be available[3] under the following circumstances:

(i) When there is no flow under the Transmission Customer's senior 185 MW Service Agreement for Firm Point-to-Point Transmission Service, EPE Service Agreement No. 315 ("185 MW TSA"), or when 120 MW or less of service is being used under the 185 MW TSA, then service would be available under this Agreement.[4]

(ii) When generator interconnection queue project identified as AC120SB, a third-party generator, is generating power, a total of 185 MW can flow from the Transmission Customer's Point of Receipt to the Point of Delivery under a combination of the 185 MW TSA and this 65 MW Service Agreement. Transmission Provider is to implement a means by which Transmission Customer may schedule service under this 65 MW Service Agreement during overnight hours,[5] with those overnight hours to be identified by Transmission Provider and communicated to Transmission Customer in advance of the Start Date of this Agreement.[6]

(iii) When the senior 185 MW TSA is utilized, and when AC120SB is not generating power, and Public Service Company of New

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[3] Under normal system conditions.

[4] This condition (i) is no longer applicable once the Appendix A facilities are completed and operational.

[5] AC120SB is a solar resource with battery storage. Even though the facility includes battery storage, it is not expected to produce output during all hours of the day. Transmission Provider will communicate to Transmission Customer, in advance of the Start Date of this 65 MW Service Agreement, the overnight hours during which service can be scheduled through OASIS.

[6] This condition (ii) is no longer applicable once the Appendix A facilities are completed and operational.

Mexico is not importing power from the Eddy County DC terminal, then service under this 65 MW Service Agreement would be available with some,[7] but not all, of the facilities identified in Appendix A of this Agreement.

11.0 ***Request to Change Receipt or Delivery Point***: Transmission Customer requests for a change in point(s) shall be addressed in the manner set forth in Transmission Provider's Tariff. See Article 22.

12.0 ***Warranty***: Each Party warrants that all work it performs hereunder shall be consistent with Good Utility Practice. The care, custody, and control of, and the risk of loss or damage to work pursuant to this Agreement shall be with the specific Party performing the work during the term of this Agreement. Under no circumstances during the term of this Agreement shall the one Party be responsible for loss or damage to the work of the other Party.

13.0 ***Successors and Assigns***: This Agreement shall be binding upon the Parties and their successors and assigns. Either Party may assign this Agreement subject to the same conditions set forth in Article 23 of the Transmission Provider's Tariff.

14.0 ***Dispute Resolution***. The Parties shall resolve any disputes that arise out of or in connection with this Agreement or its performance in accordance with the process provided in Article 12 of the Transmission Provider's Tariff.

15.0 ***Entire Agreement***. This Agreement sets forth the entire agreement between the Parties on the subject matter of this Agreement and supersedes all prior agreements of the Parties with respect to its subject matter. The Parties agree that neither will be deemed to be the drafter of any term that may subsequently be found to be ambiguous or vague. This Agreement shall be construed in the manner that most accurately reflects the Parties' intent as of the Agreement's execution. An amendment of, or addendum to, this Agreement is permitted through a written document signed by an authorized representative of each Party.

16.0 ***Counterparts***. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

17.0 ***Waiver***. No provision of this Agreement shall be deemed to have been waived unless such waiver is in writing signed by the waiving Party. No failure by any Party to insist upon the strict performance of any provision of this Agreement or to exercise any right or remedy consequent upon a breach thereof, shall constitute a waiver of any such breach of

[7] The Amrad-Eddy line upgrade.

such provision or of any other provision. No waiver of any provision of this Agreement shall be deemed a waiver of any other provision of this Agreement or a waiver of such provision with respect to any other subsequent breach, unless expressly provided in writing.

18.0 ***Governing Law***. Except to the extent preempted by federal law, this Agreement shall in all respects be interpreted, and enforced in accordance with the laws of the State of Texas, without reference to rules governing conflicts of laws.

19.0 ***Relationship of Parties***: No Third-Party Beneficiaries. Nothing contained in this Agreement shall be construed to create an agency relationship, association, joint venture, trust or partnership, or impose a trust or partnership covenant, obligation, or liability on or with regard to either of the Parties. Each Party shall be individually responsible for its own covenants, obligations, and liabilities under this Agreement. Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability or inference of liability to any third party.

20.0 ***Severability***. If any provision of this Agreement is held invalid or unenforceable for any reason by a court or governmental agency of competent jurisdiction, then the objectionable portions of the provision shall be stricken, and all other provisions of this Agreement shall remain unaffected and in force. The Parties shall be relieved of their obligations only to the extent necessary to eliminate the objectionable portions unless a court or governmental agency of competent jurisdiction holds that the invalidated provision is not separable from the remainder of the Agreement.

21.0 ***Recitals, Headings***. The recitals, headings, and subtitles in this Agreement are for the convenience of the Parties and are not to be used for its construction or interpretation.

22.0 ***Non-Taxable Contributions to Capital***. The Parties intend that any payments made by the Transmission Customer to Transmission Provider under the terms of this Agreement shall not be taxable as contributions in aid of construction. Transmission Provider shall not include a gross-up for income taxes in the amounts charged to the Transmission Customer under this Agreement, but the Transmission Customer agrees to protect, indemnify and hold harmless Transmission Provider for any tax, interest, or penalty assessed by any governmental authority to the extent such governmental authority determines that Transmission Provider's receipt of payments from the Transmission Customer under this Agreement constitutes income that is subject to taxation. Transmission Customer’s indemnification obligation shall terminate at the earlier of (1) the expiration of the ten year testing period and the applicable statute of limitation, as it may be extended by Transmission Provider upon request of the IRS, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations in the same manner as that contemplated for generator interconnection-related payment activities addressed in

Article 5.17 of the form of Large Generator Interconnection Agreement within the Transmission Provider's Tariff.

23.0 ***Damages***. Either Party may exercise any or all of its rights and remedies under this Agreement and under any applicable laws, rules and regulations; provided, however, that EXCEPT AS SPECIFICALLY PROVIDED IN APPENDIX B, SECTIONS I(b) AND V, UNDER NO CIRCUMSTANCES SHALL EITHER PARTY BE LIABLE FOR ANY ECONOMIC LOSSES OR DAMAGES, INCLUDING BUT NOT LIMITED TO SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, OR EXEMPLARY DAMAGES.

APPENDIX A[8]

At the time this Service Agreement is being entered into between Transmission Provider and Transmission Customer, the following facilities have been identified as required for the requested transmission service:[9]

Facilities
115 kV Switching Substation
345/115kV Autotransformer
~~Transmission Line Tie-Ins to New 115kV~~ Switching Substation and Autotransformer
~~115kV Amrad-Oro Grande-Chaparral Line~~ Improvements
Amrad to Eddy Upgrade[10]

- FINANCIAL SECURITY

On or before the execution date of this Service Agreement, Transmission Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider in an amount equal to $10 million. Transmission Provider may draw down the letter(s) of credit or other form of security in the event of non-payment by Transmission Customer of a Transmission Provider-tendered invoice within thirty (30) calendar days of the tender of such invoice.

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[8] Transmission Customer understands that the facilities identified here in this Appendix A may change. Transmission Provider may make changes to the list of facilities required for Transmission Customer's service under this Agreement. If and when it does so, it will notify the Transmission Customer. Transmission Provider's "higher of" rate evaluation will be performed in advance of the Start Date of service under this Agreement, and will be based upon Transmission Provider's then-current list of facilities. A change in the list of facilities identified in this Appendix A will be effectuated between the Parties by written notice of the Transmission Provider to the Transmission Customer and will not trigger a new filing of this Agreement with the Federal Energy Regulatory Commission, except in instances in which the change in facilities results in a different "higher of" incremental rate for service under this Agreement.

[9] This facility identification assumes all facilities necessary for a senior-queued request are completed and inservice, specifically the Empire 345 kV Substation being constructed under a senior-queued generator interconnection request, EC500W. It also assumes a satisfactory resolution of the PST issue and the co-ownership issue.

[10] LIDAR is aiding in the identification of the scope of the transmission structure installations and/or modifications along the Amrad-Eddy 345 kV transmission line necessary to provide service to Transmission Customer. In addition, Transmission Provider has undertaken a grounding study on the Amrad-Eddy 345 kV transmission line to assess the scope of re-grounding needs. Study results are informing the identification of work necessary to achieve a state in which Transmission Provider may provide the level of conditional firm service provided for in this Agreement (65 MW of conditional firm service).

- TRANSMISSION SERVICE CREDITS

Transmission Provider's Tariff at Article 27 addresses cost responsibility for new facilities as follows: "Whenever a System Impact Study performed by the Transmission Provider in connection with the provision of Firm Point-To-Point Transmission Service identifies the need for new facilities, the Transmission Customer shall be responsible for such costs to the extent consistent with Commission policy." Commission policy permits the Transmission Customer to receive transmission service credits (through invoices for service under this Agreement) for Network Upgrades determined to be required for the requested service, but not for other facilities.

- LINE OUTAGES

Transmission Customer shall be responsible for compensating Transmission Provider for costs (e.g., redispatch costs) associated with taking line outages associated with the construction, testing and in-service activities under this Agreement. Transmission Provider shall schedule the line outages at a time when redispatch costs are minimized. In advance of any such line outages, Transmission Provider will provide to Transmission Customer its method of calculating redispatch costs.

- AFFECTED SYSTEMS

The Transmission Customer has been put on notice that its request for transmission service from El Paso Electric Company ("EPE") requires construction and/or modification to certain transmission facilities that are not solely owned by EPE. PNM is a co-owner of certain transmission facilities that require upgrades and/or modifications under this Service Agreement, and pre-existing agreements between EPE and PNM govern modifications to the co-owned transmission facilities. EPE identified PNM as an Affected System with respect to the Transmission Customer's request for transmission service. EPE is to serve in the role of Transmission Provider under this Agreement, with the expectation and understanding that transmission facilities and equipment that are being procured, installed and/or constructed under this Agreement are to be owned by EPE, in full.

- SCHEDULE RISKS

The following schedule risks were identified during the interconnection study process regarding the facility upgrades required for the requested transmission service:

  - The timing and duration to acquire necessary permits/authorizations (including any necessary land rights) may have an adverse impact on the project schedule.

- Denial of line outages required for project construction could result in schedule delays. Transmission line outages are typically not taken from mid-May to late September, and are discouraged during extreme winter conditions or at times during which the system is operating under stressed conditions.[11] In some cases, line outages must be scheduled twelve (12) or more months in advance.

- General construction activities have the potential to be delayed due to inclement weather.

[11] Outages previously granted and scheduled are subject to last minute denials, sometimes without notice, due to dynamically changing system limitations and system contingencies.

APPENDIX B

Additional terms and conditions of this Service Agreement are set forth below:

I. DIFFERENCES BETWEEN CONTRACT PATH TO SPRINGERVILLE AND ACTUAL FLOW OF POWER TO GREENLEE

a. *Actual Flow of Power*

The study work performed to evaluate the Transmission Customer's request for transmission service to a Springerville 345 kV Point of Delivery revealed that a significant portion of the flow of power will go to the Greenlee 345 kV, and not the Springerville 345 kV. Tucson Electric Power Company ("Tucson") is (a) the owner of the Springerville 345 kV Substation that is serving as the Transmission Customer's Point of Delivery and the Balancing Authority at Springerville, (b) the Balancing Authority for the generating facility located at the Transmission Customer's desired Point of Receipt (*i.e.*, the Oso Grande wind generating facility), and (c) the owner and operator of the Greenlee 345 kV Substation and the Balancing Authority at Greenlee, where much of the power will actually flow. The output of the Oso Grande wind generating facility is to be the source of the power that is to be transmitted by EPE under the instant Service Agreement.

b. *Phase-Shifting Transformer*

The study work evaluating the Transmission Customer's transmission service request, identified the installation of a phase-shifting transformer ("PST") at the Macho Springs Substation as required to force flows toward Tucson's Springerville Substation and away from Tucson's Greenlee Substation.

Instead of proceeding with the installation of a PST at this time, EPE and Transmission Customer have agreed as follows:

i. Transmission Customer's schedules and tags for transmission service under this Service Agreement will show Springerville 345 kV Substation as the Point of Delivery.

ii. Transmission Customer will tender to EPE within thirty (30) days of the effective date of this Service Agreement, and no later than six (6) months prior to the Start Date of service under this Service Agreement, a signed statement from Tucson to EPE that the

inadvertent flow to Greenlee is acceptable to Tucson and that Tucson does not consider it a breach of any contractual or other arrangement or agreement between EPE and Tucson.

iii. Transmission Provider's obligations to provide transmission service to Transmission Customer under this Agreement is conditioned upon continued acceptance by Relevant Entities of the actual flow to Greenlee and the difference between scheduled deliveries to Springerville and actual deliveries to Springerville. Relevant Entities shall include EPE and Tucson, and any entity with governing authority over EPE, including, but not limited to, the Western Electricity Coordinating Council, the North American Electric Reliability Corporation and any Reliability Coordinator with responsibilities over the affected transmission system facilities and operations.

iv. EPE and/or Transmission Customer will communicate with Tucson in advance of the Start Date of this Service Agreement to confirm that Tucson has knowledge of the commencement of service to Transmission Customer under this Agreement.

v. Transmission Customer will hold EPE harmless from any adverse effects of the inadvertent flow to Greenlee (including, but not limited to, imbalances and operational issues) and for any and all damages, losses, claims, and actions caused or incurred by EPE as a result of relying on this procedure in lieu of installation of a PST to force flows to Springerville; provided, however, that Transmission Customer will not be responsible for those damages, losses, claims and actions caused by EPE's own gross negligence or willful misconduct.

II. GENERATION-DEPENDENT PORTION OF THE TRANSMISSION PATH

A portion of the transmission path from the Point of Receipt to the Point of Delivery is generation dependent, such that flow from the Oso Grande wind generating facility at the Point of Receipt is necessary in order to provide the requested transmission service to the Transmission Customer under this Agreement.

III. NEED FOR SHUNT REACTOR AT POINT OF RECEIPT; OPERATING PROCEDURES IN EFFECT UNTIL REACTOR IN SERVICE

a. Transmission Customer is also the Interconnection Customer under a large generator interconnection agreement with Transmission Provider for the Oso

Grande wind generating facility. This large generator interconnection agreement requires the installation of, among other things, a 50 MVAR 345 kV shunt reactor at the Empire 345 kV Substation (*i.e.*, the Point of Receipt under the instant Service Agreement).

b. Transmission operations, including the ability to effectively implement line switching orders, depends upon a reactor at the Empire 345 kV Substation that marks the location where the line segments connect to each other.
c. The shunt reactor will be placed on the Amrad line terminal of the Empire 345 kV Substation. A 345 kV synchronous breaker will control the switching of this shunt reactor.
d. The shunt reactor identified as necessary under the large generator interconnection agreement may not be available and in service at the Empire 345 kV Substation until after the Commercial Operation Date of the Oso Grande wind generating facility, which is the source of power for transmission under this Service Agreement.
e. During the period before the shunt reactor is in service at the Empire 345 kV Substation, Transmission Provider may permit the Oso Grande wind generating facility to generate output for tender to the Empire 345 kV Substation, subject to the Transmission Provider's right to direct the curtailment of Oso Grande wind generating facility's output as necessary, without restriction.

IV. IN GENERAL

Transmission Customer will adhere to all Transmission Provider operating instructions and operational procedures necessary during the term of this Agreement, including, but not limited to, instructions and/or procedures to maintain the integrity of the Transmission Provider's transmission system, to perform switching and tagging, system restoration, etc. The Transmission Customer will implement and maintain for its generating resource at the Point of Receipt a 24-hour Generator Operator function capable of receiving instructions from the Transmission Provider to immediately curtail generating facility output and take other action(s) if/when instructed by the Transmission Provider.

V. DYNAMIC TRANSFER OF LARGE GENERATING FACILITY OUTPUT

Transmission Customer shall cause Tucson to install telemetry to monitor the generation injection at the Point of Receipt in order to effect dynamic transfer of wind power and energy in real-time out of the Transmission Provider's Balancing Authority Area and into the Tucson Balancing Authority Area. Transmission Customer is responsible for all costs and arrangements necessary to establish and maintain suitable real-time measurement and telecommunications to transmit (in standard prevailing minimum intervals, currently 4-second intervals) generator

injections at the Point of Receipt and facility status information necessary to implement dynamic transfer. A back-up data link shall also be installed for use to eliminate any single point of failure for dynamic transfer data transmittal between Transmission Provider and Tucson, at Transmission Customer's expense. Equipment, telecommunication and other services necessary for dynamic transfer are not eligible for reimbursement by Transmission Provider to Transmission Customer.

Equipment and data transmission services necessary to effectuate and maintain dynamic transfer shall be reviewed and approved by Transmission Provider, in advance. Data to be transmitted to Tucson shall simultaneously be transmitted to Transmission Provider at Transmission Provider's control center. In the event the Transmission Customer desires communication redundancy for its own needs and/or for implementation of dynamic transfer of Transmission Customer's power into the Tucson Balancing Authority Area, it shall be at Transmission Customer's cost. Transmission Provider shall bear no cost responsibility for any communication redundancy desired by Transmission Customer. In addition, Transmission Provider shall bear no compliance responsibility for Interconnection Customer's communication equipment installed for the Transmission Customer's own needs and/or for implementation of dynamic transfer. Maintenance and testing responsibilities and all other responsibilities under the NERC Reliability Standards for such equipment resides with the Transmission Customer.

Transmission Customer will hold Transmission Provider harmless for any and all damages, losses, claims, and actions caused or incurred by personnel of Transmission Provider, Transmission Customer, Tucson, or any third party, related to dynamic transfer and the installation, use and maintenance of dynamic transfer equipment and data transmittals; provided, however, that Transmission Customer will not be responsible for those damages, losses, claims and actions caused by EPE's own gross negligence or willful misconduct.

Note: At the time this Service Agreement is being entered into, the Agreement provides for the transfer of the Transmission Customer's wind resource output to Tucson's Balancing Authority Area by means of dynamic scheduling. However, the Parties are discussing the potential use of a pseudo-tie, instead of dynamic scheduling. Transmission Provider may, but is not obligated to, accept a pseudo-tie arrangement with Tucson. If a pseudo-tie arrangement is accepted by Transmission Provider, the provisions in this section and in the Service Agreement with respect to dynamic transfer or dynamic scheduling shall nonetheless apply.

Tariff Submitter:	El Paso Electric Company
FERC Tariff Program Name:	FERC FPA Electric Tariff
Tariff Title:	Open Access Transmission Tariff
Tariff Record Proposed Effective Date:	March 9, 2020
Tariff Record Title:	OATT, Nonconforming Service Agreements, Service Agreement No. 327, Short-Term Conditional Firm PTP Agreement with EDF, 0.0.0
Option Code:	A
The Entity Receiving Service Under the Agreement:	EDF Renewables Development, Inc.
Brief Description of the Service Agreement:	Short-Term Conditional Firm Point-to-Point Transmission Service

Service Agreement
For
Short-Term Conditional Firm Point-To-Point Transmission Service

1.0 This Service Agreement ("Service Agreement" or "Agreement"), dated as of December _20, 2019, is entered into, by and between El Paso Electric Company ("Transmission Provider"), and EDF Renewables Development, Inc. ("Transmission Customer").

2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Firm Point-To-Point Transmission Service under the Transmission Provider's Open Access Transmission Tariff ("Tariff").

3.0 The Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Section 17.3 of the Tariff.

4.0 Service under this agreement shall commence on the later of (l) the requested service commencement date, subject to the conditions and restrictions identified in the Agreement pursuant to which service may begin after Contingent Facilities are completed and in service, or (2) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on the date mutually agreed upon by the parties (as shown in the Specifications, Section 1.0).

5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Conditional Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement. Important provisions associated with the service to be provided, and the conditions under which it is to be provided are contained in the Specifications and the Appendix.

6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

El Paso Electric Company
Attn: OASIS Admin LOC 751
P.O. Box 982
El Paso, TX 79960
TSR_requests@epelectric.com

Transmission Customer:

Justin Radl
Sr. Manager, Transmission & Market Analytics
EDF Renewables
10 2nd St., NE, Suite 400
Minneapolis, MN 55413
Justin.Radl@edf-re.com

7.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

APPROVED AS TO FORM
OFFICE OF THE GENERAL COUNSEL

By:	Name	Title	Date
	David L Ball	Senior VP	12/20/19

Transmission Customer:

By:	Name	Title	Date
	Ryan Pfaff	EVP, Grid-Scale Power	12/20/2019

Specifications for Short-Term Conditional Firm Point-To-Point Transmission Service

1.0 ***Term of Transaction***: Four (4) Months

Start Date: September 1, 2020 Hour 00:00 MS

Termination Date: January 1, 2021 Hour 00:00 MS

2.0 ***Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates***.

Wind generation from the Oso Grande Wind Generating Project in Chaves County, New Mexico. The electric Control Area/Balancing Authority Area in which the transaction originates (where the generation is to be located) is Tucson Electric Power Company. Transmission Customer understands that Transmission Provider has determined that the transmission service to be provided under this Agreement is generation dependent. Specifically, the capability of the Transmission Provider's transmission system to provide service under this Agreement is dependent on the presence of Transmission Customer's Oso Grande Wind Generating Project at the Point of Receipt and is only available for the delivery of electricity generated at the Oso Grande Wind Generating Project. The Transmission Customer will be billed for its Reserved Capacity beginning on the Start Date identified in Section 1.0 above, without regard to the status of the Oso Grande Wind Generating Project. There are other conditions associated with service to the Transmission Customer under this Agreement. See Sections 9.0 and 10.0, below, and the Appendix.

3.0 ***Point(s) of Receipt:*** The Empire 345 kV Substation in Eddy County, New Mexico, a new 345 kV substation to be constructed under a Large Generator Interconnection Agreement identified as EPE Service Agreement No. 325.

Delivering Party: Transmission Customer

4.0 ***Point(s) of Delivery***: Springerville 345 kV Substation

Receiving Party: Tucson Electric Power Company

5.0 ***Maximum amount of capacity and energy to be transmitted (Reserved Capacity)***: 65 MW

6.0 ***Designation of party(ies) subject to reciprocal service obligation***: None

7.0 ***Name(s) of any Intervening Systems providing transmission service***: None.

8.0 ***Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)***

8.1 ***Transmission Charge***:

The Tariff's Schedule 7 monthly delivery charge for Reserved Capacity for Long-Term Firm Point-to-Point Transmission Service. The Schedule 7 monthly delivery charge for Reserved Capacity is currently shown in Section A of the Transmission Provider's Tariff Schedule 7. Other charges are associated with transmission service under this Agreement, as applicable under the Tariff, including, for example, ancillary service charges.

8.2 System Impact and/or Facilities Study Charge(s):

Not Applicable.

8.3 ***Direct Assignment Facilities Charge***:

Not Applicable.

8.4 ***Ancillary Services Charges***:

Schedules 1 and 2, as those charges may change from time to time during the term of this Agreement. Other ancillary service schedule charges, if applicable and requested by Transmission Customer and agreed to by Transmission Provider, are to be assessed under this Agreement, as those charges may change from time to time during the term of this Agreement; provided, however, that Transmission Provider is not obligated to provide the following Ancillary Services, because neither the generating resource nor the load being served is in the Transmission Provider's Balancing Authority Area: Schedules 3, 4, 5, 6 and 9.

9.0 ***Contingent Facilities***: The Amrad-to-Eddy transmission line upgrade identified as necessary for the Transmission Customer's long-term conditional firm point-to-point transmission service under Service Agreement No. 326 is necessary to provide the requested service to the Transmission Customer under this instant Agreement.

In addition, the facilities identified as necessary for the Transmission Customer's interconnection service under its Service Agreement No. 325 are necessary to provide the requested transmission service to the Transmission Customer under this instant Agreement.

10.0 ***Conditions***: Availability of service under this Agreement is conditional, based upon the following:

a. The Point of Delivery for the requested service is Springerville 345 kV Substation, an existing Point of Delivery under Transmission Provider's Tariff. The study work performed has shown that a phase-shifting transformer ("PST") would be necessary to force flows to the Transmission Customer's desired Point of Delivery. As described in the Appendix, Transmission Provider and Transmission Customer, in coordination with Tucson Electric Power Company, have agreed on an alternative resolution that obviates the need for a PST to force the flow of power to Springerville. This Agreement is conditioned upon the resolution of that matter, as described in the Appendix.

b. Additional conditions are set forth in the Appendix.

11.0 ***Request to Change Receipt or Delivery Point***: Transmission Customer requests for a change in point(s) shall be addressed in the manner set forth in Transmission Provider's Tariff. See Article 22.

12.0 ***Successors and Assigns***: This Agreement shall be binding upon the Parties and their successors and assigns. Either Party may assign this Agreement subject to the same conditions set forth in Article 23 of the Transmission Provider's Tariff.

13.0 ***Waiver***. No provision of this Agreement shall be deemed to have been waived unless such waiver is in writing signed by the waiving Party. No failure by any Party to insist upon the strict performance of any provision of this Agreement or to exercise any right or remedy consequent upon a breach thereof, shall constitute a waiver of any such breach of such provision or of any other provision. No waiver of any provision of this Agreement shall be deemed a waiver of any other provision of this Agreement or a waiver of such provision with respect to any other subsequent breach, unless expressly provided in writing.

14.0 ***Governing Law***. Except to the extent preempted by federal law, this Agreement shall in all respects be interpreted, and enforced in accordance with the laws of the State of Texas, without reference to rules governing conflicts of laws.

15.0 ***Relationship of Parties***: No Third-Party Beneficiaries. Nothing contained in this Agreement shall be construed to create an agency relationship, association, joint venture, trust or partnership, or impose a trust or partnership covenant, obligation, or liability on or with regard to either of the Parties. Each Party shall be individually responsible for its own covenants, obligations, and liabilities under this Agreement. Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability or inference of liability to any third party.

16.0 ***Severability***. If any provision of this Agreement is held invalid or unenforceable for any reason by a court or governmental agency of competent jurisdiction, then the objectionable portions of the provision shall be stricken, and all other provisions of this Agreement shall remain unaffected and in force. The Parties shall be relieved of their obligations only to the extent necessary to eliminate the objectionable portions unless a court or governmental agency of competent jurisdiction holds that the invalidated provision is not separable from the remainder of the Agreement.

17.0 ***Recitals, Headings***. The recitals, headings, and subtitles in this Agreement are for the convenience of the Parties and are not to be used for its construction or interpretation.

18.0 ***Damages***. Either Party may exercise any or all of its rights and remedies under this Agreement and under any applicable laws, rules and regulations; provided, however, that EXCEPT AS SPECIFICALLY PROVIDED IN THE APPENDIX, SECTIONS I(b) AND V, UNDER NO CIRCUMSTANCES SHALL EITHER PARTY BE LIABLE FOR ANY ECONOMIC LOSSES OR DAMAGES, INCLUDING BUT NOT LIMITED TO SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, OR EXEMPLARY DAMAGES.

APPENDIX

Additional terms and conditions of this Service Agreement are set forth below:

I. DIFFERENCES BETWEEN CONTRACT PATH TO SPRINGERVILLE AND ACTUAL FLOW OF POWER TO GREENLEE

a. *Actual Flow of Power*

The study work performed to evaluate the Transmission Customer's request for transmission service to a Springerville 345 kV Point of Delivery revealed that a significant portion of the flow of power will go to the Greenlee 345 kV, and not the Springerville 345 kV. Tucson Electric Power Company ("Tucson") is (a) the owner of the Springerville 345 kV Substation that is serving as the Transmission Customer's Point of Delivery and the Balancing Authority at Springerville, (b) the Balancing Authority for the generating facility located at the Transmission Customer's desired Point of Receipt (*i.e.*, the Oso Grande wind generating facility), and (c) the owner and operator of the Greenlee 345 kV Substation and the Balancing Authority at Greenlee, where much of the power will actually flow. The output of the Oso Grande wind generating facility is to be the source of the power that is to be transmitted by EPE under the instant Service Agreement.

b. *Phase-Shifting Transformer*

The study work evaluating the Transmission Customer's transmission service request, identified the installation of a phase-shifting transformer ("PST") at the Macho Springs Substation as required to force flows toward Tucson's Springerville Substation and away from Tucson's Greenlee Substation.

Instead of proceeding with the installation of a PST at this time, EPE and Transmission Customer have agreed as follows:

i. Transmission Customer's schedules and tags for transmission service under this Service Agreement will show Springerville 345 kV Substation as the Point of Delivery.

ii. Transmission Customer will tender to EPE within thirty (30) days of the effective date of this Service Agreement, and no later than six (6) months prior to the Start Date of service under this Service

Agreement, a signed statement from Tucson to EPE that the inadvertent flow to Greenlee is acceptable to Tucson and that Tucson does not consider it a breach of any contractual or other arrangement or agreement between EPE and Tucson.

iii. Transmission Provider's obligations to provide transmission service to Transmission Customer under this Agreement is conditioned upon continued acceptance by Relevant Entities of the actual flow to Greenlee and the difference between scheduled deliveries to Springerville and actual deliveries to Springerville. Relevant Entities shall include EPE and Tucson, and any entity with governing authority over EPE, including, but not limited to, the Western Electricity Coordinating Council, the North American Electric Reliability Corporation and any Reliability Coordinator with responsibilities over the affected transmission system facilities and operations.

iv. EPE and/or Transmission Customer will communicate with Tucson in advance of the Start Date of this Service Agreement to confirm that Tucson has knowledge of the commencement of service to Transmission Customer under this Agreement.

v. Transmission Customer will hold EPE harmless from any adverse effects of the inadvertent flow to Greenlee (including, but not limited to, imbalances and operational issues) and for any and all damages, losses, claims, and actions caused or incurred by EPE as a result of relying on this procedure in lieu of installation of a PST to force flows to Springerville; provided, however, that Transmission Customer will not be responsible for those damages, losses, claims and actions caused by EPE's own gross negligence or willful misconduct.

II. GENERATION-DEPENDENT PORTION OF THE TRANSMISSION PATH

A portion of the transmission path from the Point of Receipt to the Point of Delivery is generation dependent, such that flow from the Oso Grande wind generating facility at the Point of Receipt is necessary in order to provide the requested transmission service to the Transmission Customer under this Agreement.

III. NEED FOR SHUNT REACTOR AT POINT OF RECEIPT; OPERATING PROCEDURES IN EFFECT UNTIL REACTOR IN SERVICE

a. Transmission Customer is also the Interconnection Customer under a large generator interconnection agreement with Transmission Provider for the Oso Grande wind generating facility. This large generator interconnection agreement requires the installation of, among other things, a 50 MVAR 345 kV shunt reactor at the Empire 345 kV Substation (*i.e.*, the Point of Receipt under the instant Service Agreement).
b. Transmission operations, including the ability to effectively implement line switching orders, depends upon a reactor at the Empire 345 kV Substation that marks the location where the line segments connect to each other.
c. The shunt reactor will be placed on the Amrad line terminal of the Empire 345 kV Substation. A 345 kV synchronous breaker will control the switching of this shunt reactor.
d. The shunt reactor identified as necessary under the large generator interconnection agreement may not be available and in service at the Empire 345 kV Substation until after the Commercial Operation Date of the Oso Grande wind generating facility, which is the source of power for transmission under this Service Agreement.
e. During the period before the shunt reactor is in service at the Empire 345 kV Substation, Transmission Provider may permit the Oso Grande wind generating facility to generate output for tender to the Empire 345 kV Substation, subject to the Transmission Provider's right to direct the curtailment of Oso Grande wind generating facility's output as necessary, without restriction.

IV. IN GENERAL

Transmission Customer will adhere to all Transmission Provider operating instructions and operational procedures necessary during the term of this Agreement, including, but not limited to, instructions and/or procedures to maintain the integrity of the Transmission Provider's transmission system, to perform switching and tagging, system restoration, etc. The Transmission Customer will implement and maintain for its generating resource at the Point of Receipt a 24-hour Generator Operator function capable of receiving instructions from the Transmission Provider to immediately curtail generating facility output and take other action(s) if/when instructed by the Transmission Provider.

V. DYNAMIC TRANSFER OF LARGE GENERATING FACILITY OUTPUT

Transmission Customer shall cause Tucson to install telemetry to monitor the generation injection at the Point of Receipt in order to effect dynamic transfer of wind

power and energy in real-time out of the Transmission Provider's Balancing Authority Area and into the Tucson Balancing Authority Area. Transmission Customer is responsible for all costs and arrangements necessary to establish and maintain suitable real-time measurement and telecommunications to transmit (in standard prevailing minimum intervals, currently 4-second intervals) generator injections at the Point of Receipt and facility status information necessary to implement dynamic transfer. A back-up data link shall also be installed for use to eliminate any single point of failure for dynamic transfer data transmittal between Transmission Provider and Tucson, at Transmission Customer's expense. Equipment, telecommunication and other services necessary for dynamic transfer are not eligible for reimbursement by Transmission Provider to Transmission Customer.

Equipment and data transmission services necessary to effectuate and maintain dynamic transfer shall be reviewed and approved by Transmission Provider, in advance. Data to be transmitted to Tucson shall simultaneously be transmitted to Transmission Provider at Transmission Provider's control center. In the event the Transmission Customer desires communication redundancy for its own needs and/or for implementation of dynamic transfer of Transmission Customer's power into the Tucson Balancing Authority Area, it shall be at Transmission Customer's cost. Transmission Provider shall bear no cost responsibility for any communication redundancy desired by Transmission Customer. In addition, Transmission Provider shall bear no compliance responsibility for Interconnection Customer's communication equipment installed for the Transmission Customer's own needs and/or for implementation of dynamic transfer. Maintenance and testing responsibilities and all other responsibilities under the NERC Reliability Standards for such equipment resides with the Transmission Customer.

Transmission Customer will hold Transmission Provider harmless for any and all damages, losses, claims, and actions caused or incurred by personnel of Transmission Provider, Transmission Customer, Tucson, or any third party, related to dynamic transfer and the installation, use and maintenance of dynamic transfer equipment and data transmittals; provided, however, that Transmission Customer will not be responsible for those damages, losses, claims and actions caused by EPE's own gross negligence or willful misconduct.

Note: At the time this Service Agreement is being entered into, the Agreement provides for the transfer of the Transmission Customer's wind resource output to Tucson's Balancing Authority Area by means of dynamic scheduling. However, the Parties are discussing the potential use of a pseudo-tie, instead of dynamic scheduling. Transmission Provider may, but is not obligated to, accept a pseudo-tie arrangement with Tucson. If a pseudo-tie arrangement is accepted by Transmission Provider, the provisions in this section and in the Service Agreement with respect to dynamic transfer or dynamic scheduling shall nonetheless apply.

Tariff Submitter:	El Paso Electric Company
FERC Tariff Program Name:	FERC FPA Electric Tariff
Tariff Title:	Open Access Transmission Tariff
Tariff Record Proposed Effective Date:	August 18, 2020
Tariff Record Title:	OATT, Nonconforming Service Agreements, Service Agreement No. 328, Amended LGIA with TEP, 1.0.0
Option Code:	A
The Entity Receiving Service Under the Agreement:	Tucson Electric Power Company
Brief Description of the Service Agreement:	Assignment of Nonconforming LGIA

Interconnection Service Assignment Agreement

This Interconnection Service Assignment Agreement ("Assignment Agreement") is PDGH this WK day of -DQXDU\, 2020, by and among El Paso Electric Company ("EPE" or "Transmission Provider"), EDF Renewables Development, Inc. (f/k/a EDF Renewable Development, Inc.) ("EDFR" or "Assignor"), and Tucson Electric Power Company ("TEP" or "Assignee"). Transmission Provider, Assignor, and Assignee are collectively referred to as the "Parties" hereunder.

WHEREAS, EPE and EDFR entered into an Interconnection Agreement for the Oso Grande Wind Project, dated December 9, 2019 ("LGIA" or "Interconnection Agreement"), designated by EPE as Service Agreement No. 325, a copy of which is attached hereto as Exhibit A; and

WHEREAS, in accordance with the terms and conditions of Article 19 of the LGIA, EDFR may assign its rights and obligations under the LGIA to a non-affiliated entity with the written consent of EPE; and

WHEREAS, pursuant to the Build Transfer Agreement ("BTA") dated March 28, 2019, by and between EDFR and TEP, EDFR has agreed to sell to TEP certain property requiring the assignment of the LGIA; and

WHEREAS, EDFR desires to assign its rights and obligations under the LGIA to TEP upon the closing date in the BTA; and

WHEREAS, TEP desires to assume the rights and obligations of EDFR under the LGIA upon the closing date in the BTA;

NOW, THEREFORE, in accordance with the terms of the Interconnection Agreement, EPE, EDFR, and TEP hereby agree as follows:

1. Assignment of Interconnection Agreement. As of the date of this Assignment Agreement, EDFR hereby assigns and TEP hereby assumes and agrees to fully assume and undertake all of the rights and obligations of the Assignor under the LGIA. TEP agrees to release EDFR from any and all liability and obligations under the LGIA.

2. Further Assurances. Each of the Parties hereto covenants and agrees upon the request of the other, to do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered such further acts, deeds, documents, assignments, transfers, conveyances, and assurances as may be reasonably necessary or desirable to give full effect to this Assignment Agreement.

3. Interconnection Agreement Not Modified, Amended, or Enlarged. This Assignment Agreement is intended solely to effectuate the assignment and assumption hereunder, and this Assignment Agreement does not modify, amend, or enlarge the terms of the LGIA.

4. Consent of El Paso Electric. Pursuant to Article 19 of the LGIA by and between EPE and EDFR, EPE hereby consents to this Assignment Agreement and releases EDFR from all its obligations under the LGIA. EPE and TEP agree that TEP shall solely assume and undertake all of the rights and obligations of the Interconnection Customer under the LGIA. With respect to the provision-of-financial-security obligation EDFR fulfilled as Interconnection Customer under the LGIA before the effective date of this Assignment Agreement, TEP shall satisfy such obligation before this Assignment Agreement may become effective. TEP's satisfaction of such obligation is a condition precedent to this Assignment Agreement, without which this Assignment Agreement will not become effective. Another condition precedent to this Assignment Agreement is the effectiveness of the LGIA, without which this Assignment Agreement will be deemed to be of no effect.

5. Section Headings. The section headings herein are inserted as a matter of convenience and for reference purposes only and shall not affect the interpretation of any provision of this Assignment Agreement.

6. Communications between Transmission Provider and Assignee. Any notice or request made by EPE to TEP regarding interconnection service under the LGIA shall be made to the representative of TEP, as indicated below.

Assignee:

Tucson Electric Power Company
88 East Broadway Blvd.
Mail Stop SC208
Tucson, AZ 85701
Attention: Sam Rugel, Director System Control & Reliability
Phone: (520) 745-3265
Email: srugel@tep.com

[Signature page to follow]

IN WITNESS WHEREOF, the Parties have caused this Assignment Agreement to be executed by their respective authorized officials.

Transmission Provider:

EL PASO ELECTRIC COMPANY

By: _____
Name: ADRIAN J. BODDEGOUET
Title: INTERIM CEO

APPROVED AS TO FORM
OFFICE OF THE GENERAL COUNSEL

Assignee:

TUCSON ELECTRIC POWER COMPANY

By: _____
Name: _____
Title: _____

Reseller:

EDF RENEWABLES DEVELOPMENT, INC.

By: _____
Name: Tristan Grimbert
Title: President & CEO

IN WITNESS WHEREOF, the Parties have caused this Assignment Agreement to be executed by their respective authorized officials.

Transmission Provider:

EL PASO ELECTRIC COMPANY

By: _____
Name: _____
Title: _____

Assignee:

TUCSON ELECTRIC POWER COMPANY

By: _____
Name: Erik Bakken
Title: VP System Operations

Reseller:

EDF RENEWABLES DEVELOPMENT, INC.

By: _____
Name: Tristan Grimbert
Title: President & CEO

IN WITNESS WHEREOF, the Parties have caused this Assignment Agreement to be executed by their respective authorized officials.

Transmission Provider:

EL PASO ELECTRIC COMPANY

By: _____
Name:_____
Title:_____

Assignee:

TUCSON ELECTRIC POWER COMPANY

By: _____
Name:_____
Title:_____

Reseller:

EDF RENEWABLES DEVELOPMENT, INC.



By: _ _____
Nam
Title: President & CEO

EXHIBIT A

The Assignor's Original Interconnection Agreement previously appeared in this Exhibit A. The Assignee's Amended Interconnection Agreement now appears.

AMENDED LARGE GENERATOR INTERCONNECTION AGREEMENT BETWEEN EL PASO ELECTRIC COMPANY AND TUCSON ELECTRIC POWER COMPANY

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Appendix E - Commercial Operation Date

Appendix F - Addresses for Delivery of Notices and Billings

Appendix G - Interconnection Requirements for a Wind Generating Plant Diagram

Large Generator Interconnection Agreement

LARGE GENERATOR INTERCONNECTION AGREEMENT

THIS LARGE GENERATOR INTERCONNECTION AGREEMENT ("Agreement" or "LGIA") is made and entered into this 6th day of December, 2019, and is amended this 18th day of August, 2020, by and between Tucson Electric Power Company, a corporation organized and existing under the laws of the State of Arizona ("Interconnection Customer" with a Large Generating Facility), and El Paso Electric Company, a corporation organized and existing under the laws of the State of Texas ("Transmission Provider and/or Transmission Owner"). Interconnection Customer and Transmission Provider each may be referred to as a "Party" or collectively as the "Parties."

Recitals

WHEREAS, Transmission Provider operates the Transmission System; and

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the Generating Facility identified as a Large Generating Facility in Appendix C to this Agreement; and,

WHEREAS, Interconnection Customer and Transmission Provider have agreed to enter into this Agreement for the purpose of interconnecting the Large Generating Facility with the Transmission System;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

When used in this Large Generator Interconnection Agreement, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used or the Open Access Transmission Tariff (Tariff).

Article 1. Definitions

Adverse System Impact shall mean the negative effects due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.

Affected System shall mean an electric system other than the Transmission Provider's Transmission System that may be affected by the

proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

Affiliate shall mean, with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

Ancillary Services shall mean those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Council shall mean the reliability council applicable to the Transmission System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Transmission System to which the Generating Facility is directly interconnected.

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies by the Transmission Provider or Interconnection Customer.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the Large Generator Interconnection Agreement.

Breaching Party shall mean a Party that is in Breach of the Large Generator Interconnection Agreement.

Business Day shall mean Monday through Friday, excluding Federal Holidays.

Calendar Day shall mean any day including Saturday, Sunday or a

Federal Holiday.

Clustering shall mean the process whereby a group of Interconnection Requests is studied together, instead of serially, for the purpose of conducting the Interconnection System Impact Study.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Large Generator Interconnection Agreement.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Control Area shall mean an electrical system or systems bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the interconnection. A Control Area must be certified by the Applicable Reliability Council.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Large Generator Interconnection Agreement.

Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution System shall mean the Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

Distribution Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the

Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which the Large Generator Interconnection Agreement becomes effective upon execution by the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of a Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Transmission Provider's Transmission System, Transmission Provider's Interconnection Facilities or the electric systems of others to which the Transmission Provider's Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by the Large Generator Interconnection Agreement to possess black start capability.

Energy Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to connect its Generating Facility to the Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or nonfirm capacity of the Transmission Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

Engineering & Procurement (E&P) Agreement shall mean an agreement that authorizes the Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act shall mean the Federal Power Act, as amended, 16

U.S.C. §§ 791a et seq.

FERC shall mean the Federal Energy Regulatory Commission (Commission) or its successor.

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility shall mean Interconnection Customer's device for the production of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Generating Facility Capacity shall mean the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.

Good Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer, Transmission Provider, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances,"

"radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Transmission Provider's Interconnection Facilities to obtain back feed power.

Interconnection Customer shall mean any entity, including the Transmission Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the Transmission Provider's Transmission System. Where the Interconnection Customer and the Transmission Provider are the same entity, application of the following provisions set forth herein is not required: provisions governing the posting of security (in Articles 5 and 11), provisions governing taxes and reimbursements for tax liability (in Article 5), provisions governing indemnity, consequential damages and insurance (in Article 18), and provisions governing billing and payment (in Articles 12 and 15) (invoices are not required, but may be generated and tendered for administrative use to aid in the identification and accounting of costs).

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean the Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or

Network Upgrades.

Interconnection Facilities Study shall mean a study conducted by the Transmission Provider or a third party consultant for the Interconnection Customer to determine a list of facilities (including Transmission Provider's Interconnection Facilities and Network Upgrades as identified in the Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Transmission Provider's Transmission System. The scope of the study is defined in Section 8 of the Standard Large Generator Interconnection Procedures.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 3 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Facilities Study.

Interconnection Feasibility Study shall mean a preliminary evaluation of the system impact and cost of interconnecting the Generating Facility to the Transmission Provider's Transmission System, the scope of which is described in Section 6 of the Standard Large Generator Interconnection Procedures.

Interconnection Feasibility Study Agreement shall mean the form of agreement contained in Appendix 2 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Feasibility Study.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to the Standard Large Generator Interconnection Procedures, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider's Transmission System.

Interconnection Service shall mean the service provided by the Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Transmission Provider's Transmission System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Large Generator Interconnection Agreement and, if applicable, the Transmission Provider's Tariff.

Interconnection Study shall mean any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study described in the Standard Large Generator Interconnection Procedures.

Interconnection System Impact Study shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of Transmission Provider's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in the Interconnection Feasibility Study, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Standard Large Generator Interconnection Procedures.

Interconnection System Impact Study Agreement shall mean the form of agreement contained in Appendix 3 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection System Impact Study.

IRS shall mean the Internal Revenue Service.

Joint Operating Committee shall be a group made up of representatives from Interconnection Customers and the Transmission Provider to coordinate operating and technical considerations of Interconnection Service.

Large Generating Facility shall mean a Generating Facility having a Generating Facility Capacity of more than 20 MW.

Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non performance of its obligations under the Large Generator Interconnection Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnifying Party.

Material Modification shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Large Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

NERC shall mean the North American Electric Reliability Council or its successor organization.

Network Resource shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Network Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission Provider's Transmission System (1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Facilities connect to the Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Large Generator Interconnection Agreement or its performance.

Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 5 of the Standard Large Generator Interconnection Procedures for conducting the Optional Interconnection Study.

Party or **Parties** shall mean Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the Large Generator Interconnection Agreement, where the Interconnection Customer's Interconnection Facilities connect to the

Transmission Provider's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the Large Generator Interconnection Agreement, where the Interconnection Facilities connect to the Transmission Provider's Transmission System.

Queue Position shall mean the order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by the Transmission Provider.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Large Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Scoping Meeting shall mean the meeting between representatives of the Interconnection Customer and Transmission Provider conducted for the purpose of discussing alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection.

Site Control shall mean documentation reasonably demonstrating: (1) ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Generating Facility; (2) an option to purchase or acquire a leasehold site for such purpose; or (3) an exclusivity or other business relationship between Interconnection Customer and the entity having the right to sell, lease or grant Interconnection Customer the right to possess or occupy a site for such purpose.

Small Generating Facility shall mean a Generating Facility that has a Generating Facility Capacity of no more than 20 MW.

Stand Alone Network Upgrades shall mean Network Upgrades that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Large Generator Interconnection Agreement.

Standard Large Generator Interconnection Agreement (LGIA) shall

mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility that is included in the Transmission Provider's Tariff.

Standard Large Generator Interconnection Procedures (LGIP) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that are included in the Transmission Provider's Tariff.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Transmission Provider's Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Transmission Provider's Transmission System or on other delivery systems or other generating systems to which the Transmission Provider's Transmission System is directly connected.

Tariff shall mean the Transmission Provider's Tariff through which open access transmission service and Interconnection Service are offered, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

Transmission Owner shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Large Generator Interconnection Agreement to the extent necessary. Public Service Company of New Mexico ("PNM") is a co-owner of the 345 kV transmission line on which the Point of Interconnection substation ("Empire Substation") is located. The Empire Substation shall be fully owned by El Paso Electric Company ("EPE"). For purposes of performing interconnection service to Interconnection Customer under this Agreement, EPE shall be considered the Transmission Owner and the Transmission Provider.

Transmission Provider shall mean the public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider. El Paso Electric Company is the Transmission Provider under this Agreement.

Transmission Provider's Interconnection Facilities shall mean all

facilities and equipment owned, controlled or operated by the Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Transmission System shall mean the facilities owned, controlled or operated by the Transmission Provider or Transmission Owner that are used to provide transmission service under the Tariff.

Trial Operation shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

Variable Energy Resource shall mean a device for the production of electricity that is characterized by an energy source that: (1) is renewable; (2) cannot be stored by the facility owner or operator; and (3) has variability that is beyond the control of the facility owner or operator.

Article 2. Effective Date, Term, and Termination

2.1 Effective Date. This LGIA shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC. Transmission Provider shall promptly file this LGIA with FERC upon execution in accordance with Article 3.1, if required.

2.2 Term of Agreement. Subject to the provisions of Article 2.3, this LGIA shall remain in effect for a period of thirty (30) years from the Effective Date and shall be automatically renewed for each successive one-year period thereafter.

2.3 Termination Procedures.

2.3.1 Written Notice. This LGIA may be terminated by Interconnection Customer after giving Transmission Provider ninety (90) Calendar Days advance written notice, or by Transmission Provider notifying FERC after the Generating Facility permanently ceases Commercial Operation.

2.3.2 Default. Either Party may terminate this LGIA in accordance with

Article 17.

2.3.3 Notwithstanding Articles 2.3.1 and 2.3.2, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this LGIA, which notice has been accepted for filing by FERC.

2.4 Termination Costs. If a Party elects to terminate this Agreement pursuant to Article 2.3 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party, as of the date of the other Party's receipt of such notice of termination, that are the responsibility of the Terminating Party under this LGIA. In the event of termination by a Party, the Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this LGIA, unless otherwise ordered or approved by FERC:

2.4.1 With respect to any portion of Transmission Provider's Interconnection Facilities that have not yet been constructed or installed, Transmission Provider shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Transmission Provider shall deliver such material and equipment, and, if necessary, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Transmission Provider for any or all such costs of materials or equipment not taken by Interconnection Customer, Transmission Provider shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by Transmission Provider to cancel any pending orders of or return such materials, equipment, or contracts.

If an Interconnection Customer terminates this LGIA, it shall be responsible for all costs incurred in association with that Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection

Facilities and equipment, and other expenses including any Network Upgrades for which Transmission Provider has incurred expenses and has not been reimbursed by Interconnection Customer.

2.4.2 Transmission Provider may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Transmission Provider shall be responsible for all costs associated with procuring such materials, equipment, or facilities.

2.4.3 With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this LGIA, Interconnection Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

2.5 Disconnection. Upon termination of this LGIA, the Parties will take all appropriate steps to disconnect the Large Generating Facility from the Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the nonterminating Party's Default of this LGIA or such non-terminating Party otherwise is responsible for these costs under this LGIA.

2.6 Survival. This LGIA shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this LGIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this LGIA was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this LGIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

Article 3. Regulatory Filings

3.1 Filing. Transmission Provider shall file this LGIA (and any amendment hereto) with the appropriate Governmental Authority, if required. Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 22. If Interconnection Customer has executed this LGIA, or any amendment thereto, Interconnection Customer shall reasonably cooperate with Transmission Provider with respect to such filing and to provide any information reasonably requested by Transmission Provider needed to comply with applicable regulatory requirements.

Article 4. Scope of Service

4.1 Interconnection Product Options. Interconnection Customer has selected the following (checked) type of Interconnection Service:

√ **4.1.1 Energy Resource Interconnection Service (Selected)**

4.1.1.1 The Product. Energy Resource Interconnection Service allows Interconnection Customer to connect the Large Generating Facility to the Transmission System and be eligible to deliver the Large Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an "as available" basis. To the extent Interconnection Customer wants to receive Energy Resource Interconnection Service, Transmission Provider shall construct facilities identified in Attachment A.

4.1.1.2 Transmission Delivery Service Implications. Under Energy Resource Interconnection Service, Interconnection Customer will be eligible to inject power from the Large Generating Facility into and deliver power across the interconnecting Transmission Provider's Transmission System on an "as available" basis up to the amount of MWs identified in the applicable stability and steady state studies to the extent the upgrades initially required to qualify for Energy Resource Interconnection Service have been constructed. Where eligible to do so (e.g., PJM, ISONE, NYISO), Interconnection Customer may place a bid to sell into the market up to the maximum identified Large Generating Facility output, subject to any conditions specified in the interconnection service approval, and the Large Generating Facility will be dispatched to the extent Interconnection Customer's bid clears. In all other instances, no transmission delivery service from the Large Generating Facility is assured, but Interconnection Customer may obtain Point-to-Point Transmission Service, Network Integration Transmission Service, or be used for secondary network transmission service, pursuant to Transmission

Provider's Tariff, up to the maximum output identified in the stability and steady state studies. In those instances, in order for Interconnection Customer to obtain the right to deliver or inject energy beyond the Large Generating Facility Point of Interconnection or to improve its ability to do so, transmission delivery service must be obtained pursuant to the provisions of Transmission Provider's Tariff. The Interconnection Customer's ability to inject its Large Generating Facility output beyond the Point of Interconnection, therefore, will depend on the existing capacity of Transmission Provider's Transmission System at such time as a transmission service request is made that would accommodate such delivery. The provision of firm Point-to-Point Transmission Service or Network Integration Transmission Service may require the construction of additional Network Upgrades.

4.1.2 Network Resource Interconnection Service.

4.1.2.1 **The Product**. Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility (1) in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an ISO or RTO with market based congestion management, in the same manner as all Network Resources. To the extent Interconnection Customer wants to receive Network Resource Interconnection Service, Transmission Provider shall construct the facilities identified in Attachment A to this LGIA.

4.1.2.2 **Transmission Delivery Service Implications**. Network Resource Interconnection Service allows Interconnection Customer's Large Generating Facility to be designated by any Network Customer under the Tariff on Transmission Provider's Transmission System as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a

designation will occur. Although Network Resource Interconnection Service does not convey a reservation of transmission service, any Network Customer under the Tariff can utilize its network service under the Tariff to obtain delivery of energy from the interconnected Interconnection Customer's Large Generating Facility in the same manner as it accesses Network Resources. A Large Generating Facility receiving Network Resource Interconnection Service may also be used to provide Ancillary Services after technical studies and/or periodic analyses are performed with respect to the Large Generating Facility's ability to provide any applicable Ancillary Services, provided that such studies and analyses have been or would be required in connection with the provision of such Ancillary Services by any existing Network Resource. However, if an Interconnection Customer's Large Generating Facility has not been designated as a Network Resource by any load, it cannot be required to provide Ancillary Services except to the extent such requirements extend to all generating facilities that are similarly situated. The provision of Network Integration Transmission Service or firm Point-to-Point Transmission Service may require additional studies and the construction of additional upgrades. Because such studies and upgrades would be associated with a request for delivery service under the Tariff, cost responsibility for the studies and upgrades would be in accordance with FERC's policy for pricing transmission delivery services. Network Resource Interconnection Service does not necessarily provide Interconnection Customer with the capability to physically deliver the output of its Large Generating Facility to any particular load on Transmission Provider's Transmission System without incurring congestion costs. In the event of transmission constraints on Transmission Provider's Transmission System, Interconnection Customer's Large Generating Facility shall be subject to the applicable congestion management procedures in Transmission Provider's Transmission System in the same manner as Network Resources.

There is no requirement either at the time of study or

interconnection, or at any point in the future, that Interconnection Customer's Large Generating Facility be designated as a Network Resource by a Network Service Customer under the Tariff or that Interconnection Customer identify a specific buyer (or sink). To the extent a Network Customer does designate the Large Generating Facility as a Network Resource, it must do so pursuant to Transmission Provider's Tariff.

Once an Interconnection Customer satisfies the requirements for obtaining Network Resource Interconnection Service, any future transmission service request for delivery from the Large Generating Facility within Transmission Provider's Transmission System of any amount of capacity and/or energy, up to the amount initially studied, will not require that any additional studies be performed or that any further upgrades associated with such Large Generating Facility be undertaken, regardless of whether or not such Large Generating Facility is ever designated by a Network Customer as a Network Resource and regardless of changes in ownership of the Large Generating Facility. However, the reduction or elimination of congestion or redispatch costs may require additional studies and the construction of additional upgrades.

To the extent Interconnection Customer enters into an arrangement for long term transmission service for deliveries from the Large Generating Facility outside Transmission Provider's Transmission System, such request may require additional studies and upgrades in order for Transmission Provider to grant such request.

4.2 Provision of Service. Transmission Provider shall provide Interconnection Service for the Large Generating Facility at the Point of Interconnection.

4.3 Performance Standards. Each Party shall perform all of its obligations under this LGIA in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this LGIA for its compliance therewith. If such Party is a

Transmission Provider or Transmission Owner, then that Party shall amend the LGIA and submit the amendment to FERC for approval.

4.4 No Transmission Delivery Service. The execution of this LGIA does not constitute a request for, nor the provision of, any transmission delivery service under Transmission Provider's Tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.

4.5 Interconnection Customer Provided Services. The services provided by Interconnection Customer under this LGIA are set forth in Article 9.6 and Article 13.5.1. Interconnection Customer shall be paid for such services in accordance with Article 11.6.

Article 5. Interconnection Facilities Engineering, Procurement, and Construction

5.1 Options. Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either Standard Option or Alternate Option set forth below for completion of Transmission Provider's Interconnection Facilities and Network Upgrades as set forth in Appendix A, Interconnection Facilities and Network Upgrades, and such dates and selected option shall be set forth in Appendix B, Milestones.

5.1.1 Standard Option. Transmission Provider shall design, procure, and construct Transmission Provider's Interconnection Facilities and Network Upgrades, using Reasonable Efforts to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the dates set forth in Appendix B, Milestones. Transmission Provider shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event Transmission Provider reasonably expects that it will not be able to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the specified dates, Transmission Provider shall promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

5.1.2 Alternate Option. If the dates designated by Interconnection Customer are acceptable to Transmission Provider, Transmission

Provider shall so notify Interconnection Customer within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities by the designated dates.

If Transmission Provider subsequently fails to complete Transmission Provider's Interconnection Facilities by the In-Service Date, to the extent necessary to provide back feed power; or fails to complete Network Upgrades by the Initial Synchronization Date to the extent necessary to allow for Trial Operation at full power output, unless other arrangements are made by the Parties for such Trial Operation; or fails to complete the Network Upgrades by the Commercial Operation Date, as such dates are reflected in Appendix B, Milestones; Transmission Provider shall pay Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by Interconnection Customer shall be extended day for day for each day that the applicable RTO or ISO refuses to grant clearances to install equipment.

5.1.3 Option to Build. If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days, and unless the Parties agree otherwise, Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades on the dates specified in Article 5.1.2. Transmission Provider and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A. Except for Stand Alone Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option.

5.1.4 Negotiated Option. If Interconnection Customer elects not to exercise its option under Article 5.1.3, Option to Build, Interconnection Customer shall so notify Transmission Provider within thirty (30) Calendar Days, and the Parties shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates and liquidated damages, the provision of incentives or the procurement and construction of a portion of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades by Interconnection Customer) pursuant to which

Transmission Provider is responsible for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Network Upgrades. If the Parties are unable to reach agreement on such terms and conditions, Transmission Provider shall assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Network Upgrades pursuant to 5.1.1, Standard Option.

5.2 General Conditions Applicable to Option to Build. If Interconnection Customer assumes responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades,

(1) Interconnection Customer shall engineer, procure equipment, and construct Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by Transmission Provider;

(2) Interconnection Customer's engineering, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of law to which Transmission Provider would be subject in the engineering, procurement or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;[1]

(3) Transmission Provider shall review and approve the engineering design, equipment acceptance tests, and the construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(4) prior to commencement of construction, Interconnection Customer shall provide to Transmission Provider a schedule for construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for information from Transmission Provider;

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[1] Interconnection Customer and Transmission Provider entered into an Engineering and Procurement Agreement dated November 7, 2018 ("2018 Engineering and Procurement Agreement") under which engineering, design and procurement activities have begun. As such activities continue under this Agreement, the Interconnection Customer and Transmission Provider have agreed to follow the protocols and requirements that are in the 2018 Engineering and Procurement Agreement.

(5) at any time during construction, Transmission Provider shall have the right to gain unrestricted access to Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;

(6) at any time during construction and for a period of three (3) years following Interconnection Customer's transfer to Transmission Provider of Transmission Provider's Interconnection Facilities, Stand Alone Network Upgrades, and the land rights on which such facilities are located, should any phase of the engineering, equipment procurement, or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by Transmission Provider, Interconnection Customer shall be obligated to remedy deficiencies in that portion of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;[2]

(7) Interconnection Customer shall indemnify Transmission Provider for claims arising from Interconnection Customer's construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades under the terms and procedures applicable to Article 18.1 Indemnity;

(8) Interconnection Customer shall transfer control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to Transmission Provider;

(9) Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Transmission Provider's Interconnection Facilities and Stand-Alone Network Upgrades to Transmission Provider;

(10) Transmission Provider shall approve and accept for operation and maintenance Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to the extent engineered, procured, and constructed in accordance with this Article 5.2; and

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[2] Any liability, loss or damages alleged by the owner(s) of the property on which the Transmission Provider's Interconnection Facilities and/or Stand-Alone Network Upgrades are located, associated with the activities of Interconnection Customer, shall remain the responsibility of the Interconnection Customer. Transmission Provider does not accept or assume responsibility for any liability, loss or damages associated with the Interconnection Customer's activities, including any liability, loss or damages alleged by property owners.

(11) Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information, and any other documents that are reasonably required by Transmission Provider to assure that the Interconnection Facilities and Stand Alone Network Upgrades are built to the standards and specifications required by Transmission Provider.

5.3 Liquidated Damages. The actual damages to Interconnection Customer, in the event Transmission Provider's Interconnection Facilities or Network Upgrades are not completed by the dates designated by Interconnection Customer and accepted by Transmission Provider pursuant to subparagraphs 5.1.2 or 5.1.4, above, may include Interconnection Customer's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of such uncertainty, any liquidated damages paid by Transmission Provider to Interconnection Customer in the event that Transmission Provider does not complete any portion of Transmission Provider's Interconnection Facilities or Network Upgrades by the applicable dates, shall be an amount equal to ½ of 1 percent per day of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades, in the aggregate, for which Transmission Provider has assumed responsibility to design, procure and construct.

However, in no event shall the total liquidated damages exceed 20 percent of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades for which Transmission Provider has assumed responsibility to design, procure, and construct. The foregoing payments will be made by Transmission Provider to Interconnection Customer as just compensation for the damages caused to Interconnection Customer, which actual damages are uncertain and impossible to determine at this time, and as reasonable liquidated damages, but not as a penalty or a method to secure performance of this LGIA. Liquidated damages, when the Parties agree to them, are the exclusive remedy for the Transmission Provider's failure to meet its schedule.

No liquidated damages shall be paid to Interconnection Customer if: (1) Interconnection Customer is not ready to commence use of Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for the Large Generating Facility's Trial Operation or to export power from the Large Generating Facility on the specified dates, unless Interconnection Customer would have been able to commence use of Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for Large Generating Facility's Trial Operation

or to export power from the Large Generating Facility, but for Transmission Provider's delay; (2) Transmission Provider's failure to meet the specified dates is the result of the action or inaction of Interconnection Customer or any other Interconnection Customer who has entered into an LGIA with Transmission Provider or any cause beyond Transmission Provider's reasonable control or reasonable ability to cure; (3) the Interconnection Customer has assumed responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades; or (4) the Parties have otherwise agreed.

5.4 Power System Stabilizers. The Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with the guidelines and procedures established by the Applicable Reliability Council. Transmission Provider reserves the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative. The requirements of this paragraph shall not apply to wind generators.

5.5 Equipment Procurement. If responsibility for construction of Transmission Provider's Interconnection Facilities or Network Upgrades is to be borne by Transmission Provider, then Transmission Provider shall commence design of Transmission Provider's Interconnection Facilities or Network Upgrades and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

5.5.1 Transmission Provider has completed the Facilities Study pursuant to the Facilities Study Agreement;

5.5.2 Transmission Provider has received written authorization to proceed with design and procurement from Interconnection Customer by the date specified in Appendix B, Milestones; and

5.5.3 Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.6 Construction Commencement. Transmission Provider shall commence construction of Transmission Provider's Interconnection Facilities and

Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:

5.6.1 Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;

5.6.2 Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of Transmission Provider's Interconnection Facilities and Network Upgrades;

5.6.3 Transmission Provider has received written authorization to proceed with construction from Interconnection Customer by the date specified in Appendix B, Milestones; and

5.6.4 Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.7 Work Progress. The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, at any time, request a progress report from the other Party. If, at any time, Interconnection Customer determines that the completion of Transmission Provider's Interconnection Facilities will not be required until after the specified In-Service Date, Interconnection Customer will provide written notice to Transmission Provider of such later date upon which the completion of Transmission Provider's Interconnection Facilities will be required.

5.8 Information Exchange. As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with Transmission Provider's Transmission System, and shall work diligently and in good faith to make any necessary design changes.

5.9 Limited Operation. If any of Transmission Provider's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Large Generating Facility, Transmission Provider shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Large Generating Facility and Interconnection Customer's Interconnection Facilities may operate prior to

the completion of Transmission Provider's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA. Transmission Provider shall permit Interconnection Customer to operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.

5.10 Interconnection Customer's Interconnection Facilities ('ICIF'). Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.10.1 Interconnection Customer's Interconnection Facility Specifications. Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Transmission Provider at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. Transmission Provider shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

5.10.2 Transmission Provider's Review. Transmission Provider's review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be required by Transmission Provider, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider.

5.10.3 ICIF Construction. The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information and documents for the ICIF, such as: a one-line diagram, a site plan showing the Large Generating Facility and the ICIF, plan and elevation drawings showing the layout of the

ICIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with Interconnection Customer's step-up transformers, the facilities connecting the Large Generating Facility to the step-up transformers and the ICIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Large Generating Facility. The Interconnection Customer shall provide Transmission Provider specifications for the excitation system, automatic voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

5.11 Transmission Provider's Interconnection Facilities Construction. Transmission Provider's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Transmission Provider shall deliver to Interconnection Customer the following "as-built" drawings, information and documents for Transmission Provider's Interconnection Facilities (include appropriate drawings and relay diagrams).

Transmission Provider will obtain control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities.

5.12 Access Rights. Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish at no cost to the other Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large Generating Facility with the Transmission System; (ii) operate and maintain the Large Generating Facility, the Interconnection Facilities and the Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this LGIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.

5.13 Lands of Other Property Owners. If any part of Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or Transmission Provider or Transmission Owner, Transmission Provider or Transmission Owner shall at Interconnection Customer's expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades upon such property. The Interconnection Customer has secured land rights to the property on which the following facilities are to be located: the Large Generating Facility, the Interconnection Customer Interconnection Facilities (which span approximately 35 miles), the Transmission Provider Interconnection Facilities, and a new substation (Empire Substation) that will house Network Upgrades, Stand-Alone Network Upgrades and may also house certain Transmission Provider Interconnection Facilities.[3] The interconnection service provided for in the instant Agreement requires the tie-in of Transmission Provider's existing Amrad-to-Eddy 345 kV transmission line to the Empire Substation, and activities performed under this Agreement will require certain access to land owned by the United States government. Transmission Provider and Interconnection Customer are to agree on how best to secure land rights necessary to effectuate the Interconnection Customer's exercise of its Option to Build in a manner that is in accordance with the rights and obligations of Transmission Provider under the grant(s) of land and access rights it has in place with the United States government and other third parties. Any land rights secured by Interconnection Customer associated with facilities on the Transmission Provider's side of the Point of Change of Ownership ("PCO") are to be permanently transferred by Interconnection Customer to Transmission Provider before interconnection service begins, at a date (or dates) specified by the Transmission Provider.[4] The land rights transferred to

[3] The control building at the site of the Empire Substation may also house certain Interconnection Customer equipment, such as relays associated with the gen-tie breaker(s) of Interconnection Customer. Relays and other protection system equipment associated with the gen-tie breaker(s) of Interconnection Customer are to be owned and maintained by Interconnection Customer, and Interconnection Customer shall adhere to governing NERC Standards in performing testing and maintenance activities.

[4] In addition, temporary access rights are to be tendered by Interconnection Customer to Transmission Provider necessary to permit Transmission Provider to perform its work associated with the installation of Network Upgrades (other than Stand Alone Network Upgrades), as set forth in Appendix B.

Transmission Provider must include land rights to access roads necessary to permit Transmission Provider's access to the Empire Substation and Transmission Provider Interconnection Facilities for operation, maintenance and the performance of responsibilities of Transmission Provider under this Agreement and governing laws, regulations and other agreements and authorities. With respect to any relays or other Interconnection Customer protection system-related equipment housed at the Empire Substation control building, Transmission Provider will permit necessary and appropriate access to the Interconnection Customer to permit the Interconnection Customer to perform maintenance, testing and other activities necessary for Interconnection Customer's compliance with NERC Reliability Standards and any other governing standards and requirements.

5.14 Permits. Transmission Provider or Transmission Owner and Interconnection Customer shall cooperate with each other in good faith in obtaining all permits, licenses and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. With respect to this paragraph, Transmission Provider or Transmission Owner shall provide permitting assistance to Interconnection Customer comparable to that provided to Transmission Provider's own, or an Affiliate's generation.

5.15 Early Construction of Base Case Facilities. Interconnection Customer may request Transmission Provider to construct, and Transmission Provider shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Network Upgrades required for Interconnection Customer to be interconnected to the Transmission System which are included in the Base Case of the Facilities Study for Interconnection Customer, and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.

5.16 Suspension. Interconnection Customer reserves the right, upon written notice to Transmission Provider, to suspend at any time all work by Transmission Provider associated with the construction and installation of Transmission Provider's Interconnection Facilities and/or Network Upgrades required under this LGIA with the condition that Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Transmission Provider's safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Transmission Provider (i) has

incurred pursuant to this LGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Transmission Provider cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Transmission Provider shall obtain Interconnection Customer's authorization to do so.

Transmission Provider shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by Transmission Provider required under this LGIA pursuant to this Article 5.16, and has not requested Transmission Provider to recommence the work required under this LGIA on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Transmission Provider, if no effective date is specified.

5.17 Taxes.

5.17.1 Interconnection Customer Payments Not Taxable. The Parties intend that all payments or property transfers made by Interconnection Customer to Transmission Provider for the installation of Transmission Provider's Interconnection Facilities and the Network Upgrades shall be non-taxable, either as contributions to capital, or as an advance, in accordance with the Internal Revenue Code and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the Internal Revenue Code and any applicable state income tax laws.

5.17.2 Representations and Covenants. In accordance with IRS Notice 2001-82 and IRS Notice 88-129, Interconnection Customer represents and covenants that (i) ownership of the electricity generated at the Large Generating Facility will pass to another party prior to the transmission of the electricity on the Transmission System, (ii) for income tax purposes, the amount of any payments and the cost of any property

transferred to Transmission Provider for Transmission Provider's Interconnection Facilities will be capitalized by Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of Transmission Provider's Interconnection Facilities that is a "dual-use intertie," within the meaning of IRS Notice 88-129, is reasonably expected to carry only a de minimis amount of electricity in the direction of the Large Generating Facility. For this purpose, "de minimis amount" means no more than 5 percent of the total power flows in both directions, calculated in accordance with the "5 percent test" set forth in IRS Notice 88-129. This is not intended to be an exclusive list of the relevant conditions that must be met to conform to IRS requirements for non-taxable treatment.

At Transmission Provider's request, Interconnection Customer shall provide Transmission Provider with a report from an independent engineer confirming its representation in clause (iii), above. Transmission Provider represents and covenants that the cost of Transmission Provider's Interconnection Facilities paid for by Interconnection Customer will have no net effect on the base upon which rates are determined.

5.17.3 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon the Transmission Provider. Notwithstanding Article 5.17.1, Interconnection Customer shall protect, indemnify and hold harmless Transmission Provider from the cost consequences of any current tax liability imposed against Transmission Provider as the result of payments or property transfers made by Interconnection Customer to Transmission Provider under this LGIA for Interconnection Facilities, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Transmission Provider.

Transmission Provider shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection Customer under this LGIA unless (i) Transmission Provider has determined, in good faith, that the payments or property transfers made by Interconnection Customer to Transmission Provider should be reported as income subject to taxation or (ii) any Governmental Authority

directs Transmission Provider to report payments or property as income subject to taxation; provided, however, that Transmission Provider may require Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to Transmission Provider (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 5.17. Interconnection Customer shall reimburse Transmission Provider for such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within thirty (30) Calendar Days of receiving written notification from Transmission Provider of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten year testing period and the applicable statute of limitation, as it may be extended by Transmission Provider upon request of the IRS, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 5.17.

5.17.4 **Tax Gross-Up Amount**. Interconnection Customer's liability for the cost consequences of any current tax liability under this Article 5.17 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that Interconnection Customer will pay Transmission Provider, in addition to the amount paid for the Interconnection Facilities and Network Upgrades, an amount equal to (1) the current taxes imposed on Transmission Provider ("Current Taxes") on the excess of (a) the gross income realized by Transmission Provider as a result of payments or property transfers made by Interconnection Customer to Transmission Provider under this LGIA (without regard to any payments under this Article 5.17) (the "Gross Income Amount") over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the "Present Value Depreciation Amount"), plus (2) an additional amount sufficient to permit Transmission Provider to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1).

For this purpose, (i) Current Taxes shall be computed based on Transmission Provider's composite federal and state tax rates at the time the payments or property transfers are received and Transmission Provider will be treated as being subject to tax at the highest marginal rates in effect at that time (the "Current Tax Rate"), and (ii) the Present Value Depreciation Amount shall be computed by discounting Transmission Provider's anticipated tax depreciation deductions as a result of such payments or property transfers by Transmission Provider's current weighted average cost of capital. Thus, the formula for calculating Interconnection Customer's liability to Transmission Owner pursuant to this Article 5.17.4 can be expressed as follows: (Current Tax Rate x (Gross Income Amount - Present Value of Tax Depreciation))/(1Current Tax Rate). Interconnection Customer's estimated tax liability in the event taxes are imposed shall be stated in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.17.5 Private Letter Ruling or Change or Clarification of Law. At Interconnection Customer's request and expense, Transmission Provider shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Interconnection Customer to Transmission Provider under this LGIA are subject to federal income taxation. Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Interconnection Customer's knowledge. Transmission Provider and Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

Transmission Provider shall keep Interconnection Customer fully informed of the status of such request for a private letter ruling and shall execute either a privacy act waiver or a limited power of attorney, in a form acceptable to the IRS, that authorizes Interconnection Customer to participate in all discussions with the IRS regarding such request for a private letter ruling. Transmission Provider shall allow Interconnection Customer to attend all meetings with IRS officials about the request and shall permit Interconnection

Customer to prepare the initial drafts of any follow-up letters in connection with the request.

5.17.6 **Subsequent Taxable Events**. If, within 10 years from the date on which the relevant Transmission Provider's Interconnection Facilities are placed in service, (i) Interconnection Customer Breaches the covenants contained in Article 5.17.2, (ii) a "disqualification event" occurs within the meaning of IRS Notice 88-129, or (iii) this LGIA terminates and Transmission Provider retains ownership of the Interconnection Facilities and Network Upgrades, Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on Transmission Provider, calculated using the methodology described in Article 5.17.4 and in accordance with IRS Notice 90-60.

5.17.7 **Contests**. In the event any Governmental Authority determines that Transmission Provider's receipt of payments or property constitutes income that is subject to taxation, Transmission Provider shall notify Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by Interconnection Customer and at Interconnection Customer's sole expense, Transmission Provider may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Interconnection Customer's written request and sole expense, Transmission Provider may file a claim for refund with respect to any taxes paid under this Article 5.17, whether or not it has received such a determination. Transmission Provider reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but Transmission Provider shall keep Interconnection Customer informed, shall consider in good faith suggestions from Interconnection Customer about the conduct of the contest, and shall reasonably permit Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider,

Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement or other contest. At any time during the contest, Transmission Provider may agree to a settlement either with Interconnection Customer's consent or after obtaining written advice from nationally-recognized tax counsel, selected by Transmission Provider, but reasonably acceptable to Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation.

Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully grossed-up bases to cover any related cost consequences of the current tax liability. Any settlement without Interconnection Customer's consent or such written advice will relieve Interconnection Customer from any obligation to indemnify Transmission Provider for the tax at issue in the contest.

5.17.8 **Refund**. In the event that (a) a private letter ruling is issued to Transmission Provider which holds that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Provider under the terms of this LGIA is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Transmission Provider in good faith that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Provider under the terms of this LGIA is not taxable to Transmission Provider, (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by Interconnection Customer to Transmission Provider are not subject to federal income tax, or (d) if Transmission Provider receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by Interconnection Customer to Transmission Provider pursuant to this LGIA, Transmission Provider shall promptly refund to Interconnection Customer the following:

(i) any payment made by Interconnection Customer under this Article 5.17 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon,

(ii) interest on any amounts paid by Interconnection Customer to Transmission Provider for such taxes which Transmission Provider did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC's regulations at 18 CFR §35.19a(a)(2)(iii) from the date payment was made by Interconnection Customer to the date Transmission Provider refunds such payment to Interconnection Customer, and

(iii) with respect to any such taxes paid by Transmission Provider, any refund or credit Transmission Provider receives or to which it may be entitled from any Governmental Authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to Transmission Provider for such overpayment of taxes (including any reduction in interest otherwise payable by Transmission Provider to any Governmental Authority resulting from an offset or credit); provided, however, that Transmission Provider will remit such amount promptly to Interconnection Customer only after and to the extent that Transmission Provider has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to Transmission Provider's Interconnection Facilities.

The intent of this provision is to leave the Parties, to the extent practicable, in the event that no taxes are due with respect to any payment for Interconnection Facilities and Network Upgrades hereunder, in the same position they would have been in had no such tax payments been made.

5.17.9 **Taxes Other Than Income Taxes**. Upon the timely request by Interconnection Customer, and at Interconnection Customer's sole expense, Transmission Provider may appeal, protest, seek abatement of, or otherwise contest any tax

(other than federal or state income tax) asserted or assessed against Transmission Provider for which Interconnection Customer may be required to reimburse Transmission Provider under the terms of this LGIA. Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Interconnection Customer and Transmission Provider shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Interconnection Customer to Transmission Provider for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Transmission Provider.

5.17.10 Transmission Owners Who Are Not Transmission Providers. If Transmission Provider is not the same entity as the Transmission Owner, then (i) all references in this Article 5.17 to Transmission Provider shall be deemed also to refer to and to include the Transmission Owner, as appropriate, and (ii) this LGIA shall not become effective until such Transmission Owner shall have agreed in writing to assume all of the duties and obligations of Transmission Provider under this Article 5.17 of this LGIA.

5.18 Tax Status. Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this LGIA is intended to adversely affect any Transmission Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds.

5.19 Modification.

5.19.1 General. Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide to the other Party sufficient information regarding such modification so that the other Party may evaluate the potential impact of such modification prior to

commencement of the work. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Large Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

In the case of Large Generating Facility modifications that do not require Interconnection Customer to submit an Interconnection Request, Transmission Provider shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the Transmission System, Transmission Provider's Interconnection Facilities or Network Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

5.19.2 **Standards**. Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this LGIA and Good Utility Practice.

5.19.3 **Modification Costs**. Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that Transmission Provider makes to Transmission Provider's Interconnection Facilities or the Transmission System to facilitate the interconnection of a third party to Transmission Provider's Interconnection Facilities or the Transmission System, or to provide transmission service to a third party under Transmission Provider's Tariff. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to Interconnection Customer's Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer's Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

Article 6. Testing and Inspection

6.1 Pre-Commercial Operation Date Testing and Modifications. Prior to the Commercial Operation Date, Transmission Provider shall test Transmission Provider's Interconnection Facilities and Network Upgrades and Interconnection Customer shall test the Large Generating Facility and Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection Customer shall generate test energy at the Large Generating Facility only if it has arranged for the delivery of such test energy. Interconnection Customer's testing of the Large Generating Facility requires coordination with Transmission Provider. Testing must occur at a time acceptable to the Transmission Provider. Transmission Provider will indicate its acceptance, in writing, to the Interconnection Customer.

6.2 Post-Commercial Operation Date Testing and Modifications. Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Large Generating Facility with the Transmission System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice. Relays and other System Protection Facilities of Interconnection Customer and any other equipment or facilities of the Interconnection Customer (even if housed within Transmission Provider's control building or other Transmission Provider facilities on the Transmission Provider's side of the PCO) shall be tested and maintained by Interconnection Customer at Interconnection Customer's expense in satisfaction of NERC Reliability Standards. Transmission Provider assumes no role or responsibility for compliance with NERC Reliability Standards for Interconnection Customer's equipment or facilities at Transmission Provider's control building or at Interconnection Customer's own generating facility substation.

6.3 Right to Observe Testing. Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.

6.4 Right to Inspect. Each Party shall have the right, but shall have no obligation to: (i) observe the other Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; (ii) review the settings of the other Party's System Protection Facilities and other protective equipment; and (iii) review the other Party's maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. For any Interconnection Customer equipment or facilities housed within Transmission Provider's control building or other Transmission Provider facilities, Interconnection Customer shall promptly provide Transmission Provider, upon request, documentation demonstrating compliance with NERC Reliability Standards in connection with any such equipment or facilities of Interconnection Customer. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be deemed to be Confidential Information and treated pursuant to Article 22 of this LGIA.

Article 7. Metering

7.1 General. Each Party shall comply with the Applicable Reliability Council requirements. Unless otherwise agreed by the Parties, Transmission Provider shall install Metering Equipment at the Point of Interconnection prior to any operation of the Large Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Large Generating Facility shall be measured at or, at Transmission Provider's option, compensated to, the Point of Interconnection. Transmission Provider shall provide metering quantities, in analog and/or digital form, to Interconnection Customer upon request. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.

7.2 Check Meters. Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check Transmission Provider's meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of

this LGIA, except as provided in Article 7.4 below. The check meters shall be subject at all reasonable times to inspection and examination by Transmission Provider or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.

7.3 Standards. Transmission Provider shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards.

7.4 Testing of Metering Equipment. Transmission Provider shall inspect and test all Transmission Provider-owned Metering Equipment upon installation and at least once every two (2) years thereafter. If requested to do so by Interconnection Customer, Transmission Provider shall, at Interconnection Customer's expense, inspect or test Metering Equipment more frequently than every two (2) years. Transmission Provider shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer's expense, in order to provide accurate metering, unless the inaccuracy or defect is due to Transmission Provider's failure to maintain, then Transmission Provider shall pay. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than two percent from the measurement made by the standard meter used in the test, Transmission Provider shall adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using Interconnection Customer's check meters, if installed. If no such check meters are installed or if the period cannot be reasonably ascertained, the adjustment shall be for the period immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last previous test of the Metering Equipment.

7.5 Metering Data. At Interconnection Customer's expense, the metered data shall be telemetered to one or more locations designated by Transmission Provider and one or more locations designated by Interconnection Customer. Such telemetered data shall be used, under normal operating conditions, as the official measurement of the amount of energy delivered from the Large Generating Facility to the Point of Interconnection.

Article 8. Communications

8.1 Interconnection Customer Obligations. Interconnection Customer shall

maintain satisfactory operating communications with Transmission Provider's Transmission System dispatcher or representative designated by Transmission Provider. Interconnection Customer shall provide standard voice line, dedicated voice line and facsimile communications at its Large Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to Transmission Provider as set forth in Appendix D, Security Arrangements Details. The data circuit(s) shall extend from the Large Generating Facility to the location(s) specified by Transmission Provider. Any required maintenance of such communications equipment shall be performed by Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.

8.2 **Remote Terminal Unit**. Prior to the Initial Synchronization Date of the Large Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by Transmission Provider at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Transmission Provider through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The communication protocol for the data circuit(s) shall be specified by Transmission Provider. Instantaneous bidirectional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by Transmission Provider.

Each Party will promptly advise the other Party if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.

8.3 **No Annexation**. Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties. With respect to any equipment installed to effectuate Interconnection Customer's desired dynamic transfer of Large Generating Facility output to the Balancing

Authority Area of Tucson Electric Power Company, Interconnection Customer shall own and maintain the equipment, and shall be responsible for NERC Reliability Standard compliance without regard to whether any such equipment is installed on Transmission Provider's premises.

8.4 Provision of Data from a Variable Energy Resource. The Interconnection Customer whose Generating Facility is a Variable Energy Resource shall provide meteorological and forced outage data to the Transmission Provider to the extent necessary for the Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The Interconnection Customer with a Variable Energy Resource having wind as the energy source, at a minimum, will be required to provide the Transmission Provider with site-specific meteorological data including: temperature, wind speed, wind direction, and atmospheric pressure. The Interconnection Customer with a Variable Energy Resource having solar as the energy source, at a minimum, will be required to provide the Transmission Provider with site-specific meteorological data including: temperature, atmospheric pressure, and irradiance. The Transmission Provider and Interconnection Customer whose Generating Facility is a Variable Energy Resource shall mutually agree to any additional meteorological data that are required for the development and deployment of a power production forecast. The Interconnection Customer whose Generating Facility is a Variable Energy Resource also shall submit data to the Transmission Provider regarding all forced outages to the extent necessary for the Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The exact specifications of the meteorological and forced outage data to be provided by the Interconnection Customer to the Transmission Provider, including the frequency and timing of data submittals, shall be made taking into account the size and configuration of the Variable Energy Resource, its characteristics, location, and its importance in maintaining generation resource adequacy and transmission system reliability in its area. All requirements for meteorological and forced outage data must be commensurate with the power production forecasting employed by the Transmission Provider. Such requirements for meteorological and forced outage data are set forth in Appendix C, Interconnection Details, of this LGIA, as they may change from time to time.

Article 9. Operations

9.1 General. Each Party shall comply with the Applicable Reliability Council requirements. Each Party shall provide to the other Party all information

that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

9.2 Control Area Notification. At least three months before Initial Synchronization Date, Interconnection Customer shall notify Transmission Provider in writing of the Control Area in which the Large Generating Facility will be located. If Interconnection Customer elects to locate the Large Generating Facility in a Control Area other than the Control Area in which the Large Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this LGIA, and remote Control Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the other Control Area.

9.3 Transmission Provider Obligations. Transmission Provider shall cause the Transmission System and Transmission Provider's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA. Transmission Provider may provide operating instructions to Interconnection Customer consistent with this LGIA and Transmission Provider's operating protocols and procedures as they may change from time to time. Transmission Provider will consider changes to its operating protocols and procedures proposed by Interconnection Customer.

9.4 Interconnection Customer Obligations. Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA. Interconnection Customer shall operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Control Area of which it is part, as such requirements are set forth in Appendix C, Interconnection Details, of this LGIA. Appendix C, Interconnection Details, will be modified to reflect changes to the requirements as they may change from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this LGIA.

9.5 Start-Up and Synchronization. Consistent with the Parties' mutually acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Large Generating Facility to Transmission Provider's Transmission System.

9.6 Reactive Power and Primary Frequency Response: See also Appendix G for additional provisions.

9.6.1 Power Factor Design Criteria.

9.6.1.1 Synchronous Generation. Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established different requirements that apply to all generators in the Control Area on a comparable basis.

9.6.1.2 Non-Synchronous Generation. Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery to the Point of Interconnection at continuous rated power output at a power factor within the range of 0.95 leading to 0.95 lagging at the Point of Interconnection. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.). This requirement shall apply to Interconnection Customer's Large Generating Facility. Transmission Provider may request of Interconnection Customer during the term of this Agreement evidence of continued satisfaction of the power factor range requirement at the Point of Interconnection. Interconnection Customer promptly shall provide such evidence, if requested. To the extent that Transmission Provider has the capability to independently monitor at the Point of Interconnection the Interconnection Customer's power range, it shall be free to do so, and may alert the Interconnection Customer to any deviations it identifies.

9.6.2 Voltage Schedules. Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Transmission Provider shall require Interconnection Customer to operate the Large Generating Facility to produce or absorb reactive power within the design limitations of the Large

Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). Transmission Provider's voltage schedules shall treat all sources of reactive power in the Control Area in an equitable and not unduly discriminatory manner. Transmission Provider shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one (1) day in advance, and may make changes to such schedules as necessary to maintain the reliability of the Transmission System. Interconnection Customer shall operate the Large Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the System Operator.

9.6.2.1 **Voltage Regulators**. Whenever the Large Generating Facility is operated in parallel with the Transmission System and voltage regulators are capable of operation, Interconnection Customer shall operate the Large Generating Facility with its voltage regulators in automatic operation. If the Large Generating Facility's voltage regulators are not capable of such automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative, and ensure that such Large Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Large Generating Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the Transmission System or trip any generating unit comprising the Large Generating Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators in the Control Area on a comparable basis.

9.6.3 Payment for Reactive Power. Transmission Provider is required to pay Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Large Generating Facility when Transmission Provider requests

Interconnection Customer to operate its Large Generating Facility outside the range specified in Article 9.6.1 and Appendix G, provided that if Transmission Provider pays its own or affiliated generators for reactive power service within the specified range, it must also pay Interconnection Customer. Payments shall be pursuant to Article 11.6 or such other agreement to which the Parties have otherwise agreed.

9.6.4 Primary Frequency Response. Interconnection Customer shall ensure the primary frequency response capability of its Large Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term "functioning governor or equivalent controls" as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Large Generating Facility's real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop and ±0.036 Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from an approved NERC Reliability Standard providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Large Generating Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Large Generating Facility's real power output in response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected change in the Large Generating Facility's real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify Transmission Provider that the primary frequency response capability of the Large

Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Interconnection Customer shall operate the Large Generating Facility consistent with the provisions specified in Sections 9.6.4.1 and 9.6.4.2 and elsewhere within this Agreement, including Appendix G. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Large Generating Facilities. Transmission Provider and Interconnection Customer are discussing the potential for the output of the Large Generating Facility to be made subject to a pseudo tie arrangement into the Balancing Authority Area of Tucson Electric Power Company. If a pseudo tie arrangement acceptable to Transmission Provider and Tucson Electric Power Company is developed, Transmission Provider may conclude that all or part of the frequency response requirements imposed on the Interconnection Customer under this Agreement, with the exception of frequency ride-through requirements identified in section 9.7.3 , can be eliminated, in which case, Transmission Provider and Interconnection Customer would mutually agree on an amendment to this Agreement pursuant to Article 30.10.[5]

9.6.4.1 Governor or Equivalent Controls. Whenever the Large Generating Facility is operated in parallel with the Transmission System, Interconnection Customer shall operate the Large Generating Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall: (1) in coordination with Transmission Provider and/or the relevant balancing authority, set the deadband parameter to: (1) a maximum of ±0.036 Hz and set the droop parameter to a maximum of 5 percent;[6] or (2) implement the relevant droop and deadband settings from an approved NERC Reliability Standard that provides for equivalent or more stringent parameters.

[5] Any such amendment would include a requirement that Tucson Electric Power Company install its own microwave or other equipment for the communication of real-time data between the Large Generating Facility and the Tucson Electric Power Company Balancing Authority Area.

[6] This response must be timely and sustained rather than injected for a short period and then withdrawn. The Large Generating Facility shall respond to overfrequency excursion events outside the deadband by reducing active power output in accordance with the 5 percent droop specification. Permanent droop shall be based on the maximum MW capability of the Large Generating Facility, and not on available MW capability.

Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to Transmission Provider and/or the relevant balancing authority upon request. If Interconnection Customer needs to operate the Large Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify Transmission Provider and the relevant balancing authority, and provide both with the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to keep outages of the Large Generating Facility's governor or equivalent controls to a minimum whenever the Large Generating Facility is operated in parallel with the Transmission System.

9.6.4.2 **Timely and Sustained Response.** Interconnection Customer shall ensure that the Large Generating Facility's real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Large Generating Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Large Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls.

See Appendix G for additional provisions governing the Large Generating Facility's response requirements. A Commission-approved Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

9.6.4.3 **Exemptions**. Large Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Sections 9.6.4, 9.6.4.1, and 9.6.4.2 of this Agreement. Large Generating Facilities that are behind the meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in Section 9.6.4, but shall be otherwise exempt from the operating requirements in Sections 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.4 of this Agreement.

9.6.4.4 **Electric Storage Resources**. Interconnection Customer interconnecting an electric storage resource shall establish an operating range in Appendix C of its LGIA that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Sections 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.3 of this Agreement. Appendix C shall specify whether the operating range is static or dynamic, and shall consider (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by Transmission Provider and

Interconnection Customer, and in consultation with the relevant transmission owner or balancing authority as appropriate. If the operating range is dynamic, then Appendix C must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with Section 9.6.4.2 of this Agreement when it is online and dispatched to inject electricity to the Transmission System and/or receive electricity from the Transmission System. This excludes circumstances when the electric storage resource is not dispatched to inject electricity to the Transmission System and/or dispatched to receive electricity from the Transmission System. If Interconnection Customer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Interconnection Customer's electric storage resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

9.7 Outages and Interruptions.

9.7.1 Outages.

9.7.1.1 Outage Authority and Coordination. Each Party may in accordance with Good Utility Practice in coordination with the other Party remove from service any of its respective Interconnection Facilities or Network Upgrades that may impact the other Party's facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service will use Reasonable Efforts to schedule such removal on a date and time mutually acceptable to the

Parties. In all circumstances, any Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Party of such removal.

9.7.1.2 **Outage Schedules**. Transmission Provider shall post scheduled outages of its transmission facilities on the OASIS. Interconnection Customer shall submit its planned maintenance schedules for the Large Generating Facility to Transmission Provider for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its planned maintenance schedules as necessary. Transmission Provider may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the Transmission System; provided, however, adequacy of generation supply shall not be a criterion in determining Transmission System reliability. Transmission Provider shall compensate Interconnection Customer for any additional direct costs that Interconnection Customer incurs as a result of having to reschedule maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent Transmission Provider's request to reschedule maintenance. Interconnection Customer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, Interconnection Customer had modified its schedule of maintenance activities.

9.7.1.3 **Outage Restoration**. If an outage on a Party's Interconnection Facilities or Network Upgrades adversely affects the other Party's operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, to the extent such information is known, information on the nature of the Emergency Condition, an estimated time of restoration,

and any corrective actions required. Initial verbal notice shall be followed up as soon as practicable with written notice explaining the nature of the outage.

9.7.2 Interruption of Service. If required by Good Utility Practice to do so, Transmission Provider may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect Transmission Provider's ability to perform such activities as are necessary to safely and reliably operate and maintain the Transmission System. The following provisions shall apply to any interruption or reduction permitted under this Article 9.7.2:

9.7.2.1 The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice;

9.7.2.2 Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all generating facilities directly connected to the Transmission System;

9.7.2.3 When the interruption or reduction must be made under circumstances which do not allow for advance notice, Transmission Provider shall notify Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written notification as soon as practicable;

9.7.2.4 Except during the existence of an Emergency Condition, when the interruption or reduction can be scheduled without advance notice, Transmission Provider shall notify Interconnection Customer in advance regarding the timing of such scheduling and further notify Interconnection Customer of the expected duration. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to Interconnection Customer and Transmission Provider;

9.7.2.5 The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Large Generating Facility, Interconnection Facilities, and the Transmission System to their normal operating state, consistent with system conditions and Good Utility Practice.

9.7.2.6 The Transmission Provider has informed the Interconnection Customer that the Large Generating Facility has the potential to adversely affect the start-up and/or operation of the Eddy County HVDC terminal (DC terminal) that serves as an electrical interconnection between the Western Interconnection of the United States and the Eastern Interconnection of the United States. The Parties seek to avoid any adverse impact on the DC terminal. Interconnection Customer shall adhere to any operating instructions given by Transmission Provider to enable the safe and effective start-up and/or operation of the DC terminal.

9.7.3 Under-Frequency and Over Frequency Conditions. The Transmission System is designed to automatically activate a load-shed program as required by the Applicable Reliability Council in the event of an under-frequency system disturbance. Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Large Generating Facility as required by the Applicable Reliability Council to ensure "ride through" capability of the Transmission System. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with Transmission Provider in accordance with Good Utility Practice. The term "ride through" as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the Transmission System during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice.

9.7.4 System Protection and Other Control Requirements.

9.7.4.1 System Protection Facilities. Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Large Generating Facility or Interconnection Customer's

Interconnection Facilities. Transmission Provider shall install at Interconnection Customer's expense any System Protection Facilities that may be required on Transmission Provider's Interconnection Facilities or the Transmission System as a result of the interconnection of the Large Generating Facility and Interconnection Customer's Interconnection Facilities.

9.7.4.2 Each Party's protection facilities shall be designed and coordinated with other systems in accordance with Good Utility Practice.

9.7.4.3 Each Party shall be responsible for protection of its facilities consistent with Good Utility Practice.

9.7.4.4 Each Party's protective relay design shall incorporate the necessary test switches to perform the tests required in Article 6. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of Interconnection Customer's units.

9.7.4.5 Each Party will test, operate and maintain System Protection Facilities in accordance with Good Utility Practice. Each Party will be responsible for adherence to the testing and maintenance required under the NERC Reliability Standards and other requirements with respect to the Protection Facilities it owns. It is contemplated that certain components of Protection Facilities owned by Interconnection Customer, including relays associated with gen-tie breaker(s), may be housed in the control building within the fenced perimeter of the Empire Substation to be constructed under this Agreement. The Empire Substation is on the Transmission Provider's side of the PCO; however, Interconnection Customer shall own and have compliance responsibility for any such Protection Facility components. Transmission Provider shall allow for Interconnection Customer's access to such components, upon reasonable advance written request of Interconnection Customer, for such purpose.

9.7.4.6 Prior to the In-Service Date, and again prior to the Commercial Operation Date, each Party or its agent shall perform a complete calibration test and functional trip test of the System Protection Facilities. At intervals suggested by Good Utility Practice and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its System Protection Facilities. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

9.7.5 Requirements for Protection. In compliance with Good Utility Practice, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the Transmission System not otherwise isolated by Transmission Provider's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Transmission System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Large Generating Facility and the Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Large Generating Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and Interconnection Customer's other equipment if conditions on the Transmission System could adversely affect the Large Generating Facility. Similarly, Interconnection Customer shall be responsible for disconnecting or reducing the output of the Large Generating Facility in response to Transmission Provider's instruction to do so if conditions are such that the Large Generating Facility could adversely affect the start-up or operation of the DC terminal. The Parties to this Agreement desire to protect against any such adverse impacts, and have developed an operating procedure as part of this Agreement. The operating procedure is in Appendix C.

9.7.6 Power Quality. Neither Party's facilities shall cause excessive

voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard. In the event of a conflict between ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, ANSI Standard C84.1-1989, or the applicable superseding electric industry standard, shall control. Transmission Provider has the right to monitor and to give operating instructions to Interconnection Customer in situations in which the Large Generating Facility must reduce its output in order for the Transmission Provider to protect against adverse voltage-related impacts or other impacts that would put the transmission system at risk.

9.8 Switching and Tagging Rules. Each Party shall provide the other Party a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

9.9 Use of Interconnection Facilities by Third Parties.

9.9.1 Purpose of Interconnection Facilities. Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Large Generating Facility to the Transmission System and shall be used for no other purpose.

9.9.2 Third Party Users. If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use Transmission Provider's Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between Interconnection

Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to FERC for resolution.

9.10 Disturbance Analysis Data Exchange. The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or Transmission Provider's Transmission System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.

Article 10. Maintenance

10.1 Transmission Provider Obligations. Transmission Provider shall maintain the Transmission System and Transmission Provider's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.2 Interconnection Customer Obligations. Interconnection Customer shall maintain the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.3 Coordination. The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Large Generating Facility and the Interconnection Facilities.

10.4 Secondary Systems. Each Party shall cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current

transformers, or potential transformers.

10.5 Operating and Maintenance Expenses. Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of Transmission Provider's Interconnection Facilities.

Article 11. Performance Obligation

11.1 Interconnection Customer Interconnection Facilities. Interconnection Customer shall design, procure, construct, install, own and/or control Interconnection Customer Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at its sole expense.

11.2 Transmission Provider's Interconnection Facilities. Transmission Provider or Transmission Owner shall design, procure, construct, install, own and/or control the Transmission Provider's Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at the sole expense of the Interconnection Customer.

11.3 Network Upgrades and Distribution Upgrades. Transmission Provider or Transmission Owner shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades. The Interconnection Customer shall be responsible for all costs related to Distribution Upgrades. Unless Transmission Provider or Transmission Owner elects to fund the capital for the Network Upgrades, they shall be solely funded by Interconnection Customer.

11.4 Transmission Credits.

11.4.1 Repayment of Amounts Advanced for Network Upgrades. Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to Transmission Provider and Affected System Operator, if any, for the

Network Upgrades, including any tax gross-up or other tax-related payments associated with Network Upgrades, and not refunded to Interconnection Customer pursuant to Article 5.17.8 or otherwise, to be paid to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under Transmission Provider's Tariff and Affected System's Tariff for transmission services with respect to the Large Generating Facility. Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. Interconnection Customer may assign such repayment rights to any person.

Notwithstanding the foregoing, Interconnection Customer, Transmission Provider, and Affected System Operator may adopt any alternative payment schedule that is mutually agreeable so long as Transmission Provider and Affected System Operator take one of the following actions no later than five years from the Commercial Operation Date: (1) return to Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that Transmission Provider or Affected System Operator will continue to provide payments to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the Commercial Operation Date.

If the Large Generating Facility fails to achieve commercial operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, Transmission Provider and Affected System Operator shall at that time reimburse Interconnection Customer for the amounts advanced for the Network Upgrades. Before any such reimbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the Generating Facility, if different, is responsible for identifying the entity to which

reimbursement must be made.

11.4.2 Special Provisions for Affected Systems. Unless Transmission Provider provides, under the LGIA, for the repayment of amounts advanced to Affected System Operator for Network Upgrades, Interconnection Customer and Affected System Operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by Interconnection Customer to the Affected System Operator as well as the repayment by the Affected System Operator.

11.4.3 Notwithstanding any other provision of this LGIA, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that Interconnection Customer, shall be entitled to, now or in the future under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Large Generating Facility.

11.5 Provision of Security. At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, Interconnection Customer shall provide Transmission Provider, at Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Transmission Provider and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to Transmission Provider for these purposes.

In addition:

11.5.1 The guarantee must be made by an entity that meets the creditworthiness requirements of Transmission Provider, and contain terms and conditions that guarantee payment of any

amount that may be due from Interconnection Customer, up to an agreed-to maximum amount.

11.5.2 The letter of credit must be issued by a financial institution reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

11.5.3 The surety bond must be issued by an insurer reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

11.6 Interconnection Customer Compensation. Except in circumstances in which Transmission Provider acts pursuant to (a) the DC terminal-related operating procedure in this Agreement, (b) the restrictions and standards in this Agreement imposed on the Interconnection Customer's Large Generating Facility, and/or (c) NERC guidance and standards, if Transmission Provider requests or directs Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for Reactive Power), or 13.5.1 of this LGIA, Transmission Provider shall compensate Interconnection Customer in accordance with Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to an RTO or ISO FERC-approved rate schedule. Interconnection Customer shall serve Transmission Provider or RTO or ISO with any filing of a proposed rate schedule at the time of such filing with FERC. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb any Reactive Power under this LGIA, Transmission Provider agrees to compensate Interconnection Customer in such amount as would have been due Interconnection Customer had the rate schedule been in effect at the time service commenced; provided, however, that such rate schedule must be filed at FERC or other appropriate Governmental Authority within sixty (60) Calendar Days of the commencement of service.

11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition. Transmission Provider or RTO or ISO shall compensate Interconnection Customer for its provision of real and reactive power and other Emergency Condition services that Interconnection Customer provides to support the Transmission System during an Emergency Condition in accordance with Article 11.6; provided, however, that this LGIA imposes upon Interconnection Customer conditions and requirements associated with real and reactive power and voltage for purposes of protecting the transmission

system from being adversely affected by the interconnection of the Large Generating Facility to Transmission Provider's system, and Interconnection Customer's compliance with those conditions and requirements do not give rise to an obligation of Transmission Provider to compensate Interconnection Customer.

Article 12. Invoice

12.1 General. Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this LGIA, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

12.2 Final Invoice. Within six months after completion of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades, Transmission Provider shall provide an invoice of the final cost of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Transmission Provider shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

12.3 Payment. Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by either Party will not constitute a waiver of any rights or claims either Party may have under this LGIA.

12.4 Disputes. In the event of a billing dispute between Transmission Provider and Interconnection Customer, Transmission Provider shall continue to provide Interconnection Service under this LGIA as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Transmission Provider or into an independent escrow account the

portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then Transmission Provider may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accord with the methodology set forth in FERC's regulations at 18 CFR § 35.19a(a)(2)(iii).

Article 13. Emergencies

13.1 Definition. "Emergency Condition" shall mean a condition or situation: (i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (ii) that, in the case of Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (iii) that, in the case of Interconnection Customer, is imminently likely (as determined in a nondiscriminatory manner) to cause a material adverse effect on the security of, or damage to, the Large Generating Facility or Interconnection Customer's Interconnection Facilities' System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by this LGIA to possess black start capability.

13.2 Obligations. Each Party shall comply with the Emergency Condition procedures of the applicable ISO/RTO, NERC, the Applicable Reliability Council, Applicable Laws and Regulations, and any emergency procedures agreed to by the Joint Operating Committee.

13.3 Notice. Transmission Provider shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects Transmission Provider's Interconnection Facilities or the Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Transmission Provider promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the Transmission System or Transmission Provider's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the

damage or deficiency, the expected effect on the operation of Interconnection Customer's or Transmission Provider's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.

13.4 Immediate Action. Unless, in Interconnection Customer's reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Transmission Provider, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Large Generating Facility or Interconnection Customer's Interconnection Facilities in response to an Emergency Condition either declared by Transmission Provider or otherwise regarding the Transmission System.

13.5 Transmission Provider Authority.

13.5.1 General. Transmission Provider may take whatever actions or inactions with regard to the Transmission System or Transmission Provider's Interconnection Facilities it deems necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Transmission System or Transmission Provider's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

Transmission Provider shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider may, on the basis of technical considerations, require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, startup, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing Interconnection Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of Transmission Provider's operating instructions concerning

Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

13.5.2 **Reduction and Disconnection**. Transmission Provider may reduce Interconnection Service or disconnect the Large Generating Facility or Interconnection Customer's Interconnection Facilities, when such, reduction or disconnection is necessary under Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from any right of curtailment of Transmission Provider pursuant to Transmission Provider's Tariff. When Transmission Provider can schedule the reduction or disconnection in advance, Transmission Provider shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and Transmission Provider. Any reduction or disconnection shall continue only for so long as reasonably necessary under Good Utility Practice. The Parties shall cooperate with each other to restore the Large Generating Facility, the Interconnection Facilities, and the Transmission System to their normal operating state as soon as practicable consistent with Good Utility Practice.

13.6 **Interconnection Customer Authority**. Consistent with Good Utility Practice and the LGIA and the LGIP, Interconnection Customer may take actions or inactions with regard to the Large Generating Facility or Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Large Generating Facility or Interconnection Customer's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Transmission System and Transmission Provider's Interconnection Facilities. Transmission Provider shall use Reasonable Efforts to assist Interconnection Customer in such actions.

13.7 **Limited Liability**. Except as otherwise provided in Article 11.6.1 of this

LGIA, neither Party shall be liable to the other for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.

Article 14. Regulatory Requirements and Governing Law

14.1 Regulatory Requirements. Each Party's obligations under this LGIA shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this LGIA shall require Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act, the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978.

14.2 Governing Law.

14.2.1 The validity, interpretation and performance of this LGIA and each of its provisions shall be governed by the laws of the state where the Point of Interconnection is located, without regard to its conflicts of law principles.

14.2.2 This LGIA is subject to all Applicable Laws and Regulations.

14.3.3 Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

Article 15. Notices.

15.1 General. Unless otherwise provided in this LGIA, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.

Either Party may change the notice information in this LGIA by giving five (5) Business Days written notice prior to the effective date of the change.

15.2 Billings and Payments. Billings and payments shall be sent to the addresses set out in Appendix F.

15.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F.

15.4 Operations and Maintenance Notice. Each Party shall notify the other Party in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10.

Article 16. Force Majeure

16.1 Force Majeure.

16.1.1 Economic hardship is not considered a Force Majeure event.

16.1.2 Neither Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

Article 17. Default

17.1 Default

17.1 General. No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this LGIA or the result of an act of omission of the other Party. Upon a Breach, the non-breaching Party shall give written notice of such Breach to the breaching Party. Except as provided in Article 17.1.2, the breaching Party shall have thirty (30) Calendar Days from receipt of the Default notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

17.2 Right to Terminate. If a Breach is not cured as provided in this article, or if a Breach is not capable of being cured within the period provided for herein, the non-breaching Party shall have the right to declare a Default and terminate this LGIA by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this LGIA, to recover from the breaching 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 article will survive termination of this LGIA.

Article 18. Indemnity, Consequential Damages and Insurance

18.1 Indemnity. The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under this LGIA on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

18.1.1 Indemnified Person. If an Indemnified Person is entitled to

indemnification under this Article 18 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 18.1, to assume the defense of such claim, such Indemnified Person may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

18.1.2 **Indemnifying Party**. If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Article 18, the amount owing to the Indemnified Person shall be the amount of such Indemnified Person's actual Loss, net of any insurance or other recovery.

18.1.3 **Indemnity Procedures**. Promptly after receipt by an Indemnified Person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Article 18.1 may apply, the Indemnified Person shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.

The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Person. If the defendants in any such action include one or more Indemnified Persons and the Indemnifying Party and if the Indemnified Person reasonably concludes that there may be legal defenses available to it and/or other Indemnified Persons which are different from or additional to those available to the Indemnifying Party, the Indemnified Person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Person or Indemnified Persons having such differing or additional legal defenses.

The Indemnified Person shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense

of which has been assumed by the Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Person and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Person, or there exists a conflict or adversity of interest between the Indemnified Person and the Indemnifying Party, in such event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Person, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Person, which shall not be reasonably withheld, conditioned or delayed.

18.2 Consequential Damages. Other than the Liquidated Damages heretofore described, in no event shall either Party be liable under any provision of this LGIA 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.

18.3 Insurance. Each party shall, at its own expense, maintain in force throughout the period of this LGIA, and until released by the other Party, the following minimum insurance coverages, with insurers authorized to do business in the state where the Point of Interconnection is located:

18.3.1 Employers' Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the state in which the Point of Interconnection is located.

18.3.2 Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors

coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of One Million Dollars ($1,000,000) per occurrence/One Million Dollars ($1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.

18.3.3 Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars ($1,000,000) per occurrence for bodily injury, including death, and property damage.

18.3.4 Excess Public Liability Insurance over and above the Employers' Liability Commercial General Liability and Comprehensive Automobile Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars ($20,000,000) per occurrence/Twenty Million Dollars ($20,000,000) aggregate.

18.3.5 The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Public Liability Insurance policies shall name the other Party, its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this LGIA against the Other Party Group and provide thirty (30) Calendar Days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.

18.3.6 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which

the insurer would have been liable had only one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.

18.3.7 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this LGIA, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.

18.3.8 The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this LGIA.

18.3.9 Within ten (10) days following execution of this LGIA, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days thereafter, each Party shall provide certification of all insurance required in this LGIA, executed by each insurer or by an authorized representative of each insurer.

18.3.10 Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.8 to the extent it maintains a self-insurance program; provided that, such Party's senior secured debt is rated at investment grade or better by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.8. For any period of time that a Party's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Articles 18.3.2 through 18.3.9. In the event that a Party is permitted to self-insure pursuant to this article, it shall notify the other Party that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 18.3.9.

18.3.11 The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this LGIA.

Article 19. Assignment

19.1 Assignment. This LGIA may be assigned by either Party only with the written consent of the other; provided that either Party may assign this LGIA without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this LGIA; and provided further that Interconnection Customer shall have the right to assign this LGIA, without the consent of Transmission Provider, for collateral security purposes to aid in providing financing for the Large Generating Facility, provided that Interconnection Customer will promptly notify Transmission Provider of any such assignment. Any financing arrangement entered into by Interconnection Customer pursuant to this article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify Transmission Provider of the date and particulars of any such exercise of assignment right(s), including providing the Transmission Provider with proof that it meets the requirements of Articles 11.5 and 18.3. Any attempted assignment that violates this article is void and ineffective. Any assignment under this LGIA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

In the event this LGIA is assigned by the Interconnection Customer, the assignee will step into the shoes of the original (assignor) Interconnection Customer and fulfill any and all obligations of the original Interconnection Customer under the 2018 Engineering and Procurement Agreement. Upon the assignment, the assignee would be made to tender its own letter(s) of credit or other financial security reasonably acceptable to Transmission Provider pursuant to Article 11.5 in the amount shown in the Appendix B milestones.

Article 20. Severability

20.1 Severability. If any provision in this LGIA is finally determined to be invalid, void or unenforceable by any court or other Governmental

Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this LGIA; provided that if Interconnection Customer (or any third party, but only if such third party is not acting at the direction of Transmission Provider) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

Article 21. Comparability

21.1 Comparability. The Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

Article 22. Confidentiality

22.1 Confidentiality. Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of this LGIA.

Unless Transmission Provider and Interconnection Customer have agreed otherwise,[7] information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Article 22 warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

The release of Confidential Information shall be subject to Applicable Laws and Regulations and Applicable Reliability Standards.

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[7] Interconnection Customer and Transmission Provider have agreed to, and are performing under, confidentiality protections that do not mandate the use of labels or markings.

22.1.1 **Term**. During the term of this LGIA, and for a period of three (3) years after the expiration or termination of this LGIA, except as otherwise provided in this Article 22, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

22.1.2 **Scope**. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this LGIA; or (6) is required, in accordance with Article 22.1.7 of the LGIA, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

22.1.3 **Release of Confidential Information**. Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this LGIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding

the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.

22.1.4 **Rights**. Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

22.1.5 **No Warranties**. By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

22.1.6 **Standard of Care**. Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this LGIA or its regulatory requirements.

22.1.7 **Order of Disclosure**. If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential

Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

22.1.8 **Termination of Agreement**. Upon termination of this LGIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.

22.1.9 **Remedies**. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 22, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.

22.1.10 **Disclosure to FERC, its Staff, or a State**. Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in

confidence pursuant to this LGIA, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this LGIA prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

22.1.11 Subject to the exception in Article 22.1.10, any information that a Party claims is competitively sensitive, commercial or financial information under this LGIA ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIA or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the

information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

Article 23. Environmental Releases

23.1 Each Party shall notify the other Party, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Large Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

Article 24. Information Requirements

24.1 Information Acquisition. Transmission Provider and Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.

24.2 Information Submission by Transmission Provider. The initial information submission by Transmission Provider shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include Transmission System information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis Transmission Provider shall provide Interconnection Customer a status report on the construction and installation of Transmission Provider's Interconnection Facilities and Network Upgrades, including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

24.3 Updated Information Submission by Interconnection Customer. The

updated information submission by Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. Interconnection Customer shall submit a completed copy of the Large Generating Facility data requirements contained in Appendix 1 to the LGIP. It shall also include any additional information provided to Transmission Provider for the Feasibility and Facilities Study. Information in this submission shall be the most current Large Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Transmission Provider standard models. If there is no compatible model, Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If Interconnection Customer's data is materially different from what was originally provided to Transmission Provider pursuant to the Interconnection Study Agreement between Transmission Provider and Interconnection Customer, then Transmission Provider will conduct appropriate studies to determine the impact on Transmission Provider Transmission System based on the actual data submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed.

24.4 Information Supplementation. Prior to the Operation Date, the Parties shall supplement their information submissions described above in this Article 24 with any and all "as-built" Large Generating Facility information or "as-tested" performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. The Interconnection Customer shall conduct tests on the Large Generating Facility as required by Good Utility Practice such as an open circuit "step voltage" test on the Large Generating Facility to verify proper operation of the Large Generating Facility's automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Large Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Large Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Interconnection Customer shall provide validated test recordings showing the responses of Large Generating Facility terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Large Generating Facility's terminal or field voltage are acceptable if information necessary to translate these alternate

quantities to actual Large Generating Facility terminal or field voltages is provided. Large Generating Facility testing shall be conducted and results provided to Transmission Provider for each individual generating unit in a station. Subsequent to the Operation Date, Interconnection Customer shall provide Transmission Provider any information changes due to equipment replacement, repair, or adjustment. Transmission Provider shall provide Interconnection Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Transmission Provider-owned substation that may affect Interconnection Customer's Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information no later than thirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment.

Article 25. Information Access and Audit Rights

25.1 Information Access. Each Party (the "disclosing Party") shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this LGIA; and (ii) carry out its obligations and responsibilities under this LGIA. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this LGIA.

25.2 Reporting of Non-Force Majeure Events. Each Party (the "notifying Party") shall notify the other Party when the notifying Party becomes aware of its inability to comply with the provisions of this LGIA for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this LGIA.

25.3 Audit Rights. Subject to the requirements of confidentiality under Article 22 of this LGIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either Party's performance or either Party's satisfaction of obligations under this LGIA. Such audit rights shall include audits of the other Party's costs,

calculation of invoiced amounts, Transmission Provider's efforts to allocate responsibility for the provision of reactive support to the Transmission System, Transmission Provider's efforts to allocate responsibility for interruption or reduction of generation on the Transmission System, and each Party's actions in an Emergency Condition. Any audit authorized by this article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party's performance and satisfaction of obligations under this LGIA. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.

25.4 Audit Rights Periods

25.4.1 Audit Rights Period for Construction-Related Accounts and Records. Accounts and records related to the design, engineering, procurement, and construction of Transmission Provider's Interconnection Facilities and Network Upgrades shall be subject to audit for a period of twenty-four months following Transmission Provider's issuance of a final invoice in accordance with Article 12.2.

25.4.2 Audit Rights Period for All Other Accounts and Records. Accounts and records related to either Party's performance or satisfaction of all obligations under this LGIA other than those described in Article 25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four months after the event for which the audit is sought.

25.5 Audit Results. If an audit by a Party determines that an overpayment or an underpayment has occurred, a notice of such overpayment or underpayment shall be given to the other Party together with those records from the audit which support such determination.

Article 26. Subcontractors

26.1 General. Nothing in this LGIA shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this LGIA; provided, however, that each Party shall

require its subcontractors to comply with all applicable terms and conditions of this LGIA in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

26.2 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this LGIA. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Transmission Provider be liable for the actions or inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under Article 5 of this LGIA. Any applicable obligation imposed by this LGIA upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

26.3 No Limitation by Insurance. The obligations under this Article 26 will not be limited in any way by any limitation of subcontractor's insurance.

Article 27. Disputes

27.1 Submission. In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this LGIA or its performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.

27.2 External Arbitration Procedures. Any arbitration initiated under this LGIA shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar

Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail.

27.3 Arbitration Decisions. Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this LGIA and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

27.4 Costs. Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

Article 28. Representations, Warranties, and Covenants

28.1 General. Each Party makes the following representations, warranties and covenants:

28.1.1 Good Standing. Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and

Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this LGIA and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this LGIA.

28.1.2 **Authority**. Such Party has the right, power and authority to enter into this LGIA, to become a Party hereto and to perform its obligations hereunder. This LGIA is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

28.1.3 **No Conflict**. The execution, delivery and performance of this LGIA does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

28.1.4 **Consent and Approval**. Such Party has sought or obtained, or, in accordance with this LGIA will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this LGIA, and it will provide to any Governmental Authority notice of any actions under this LGIA that are required by Applicable Laws and Regulations.

Article 29. Joint Operating Committee

29.1 **Joint Operating Committee**. Except in the case of ISOs and RTOs, Transmission Provider shall constitute a Joint Operating Committee to coordinate operating and technical considerations of Interconnection Service. At least six (6) months prior to the expected Initial Synchronization Date, Interconnection Customer and Transmission Provider shall each appoint one representative and one alternate to the Joint Operating Committee. Each Interconnection Customer shall notify

Transmission Provider of its appointment in writing. Such appointments may be changed at any time by similar notice. The Joint Operating Committee shall meet as necessary, but not less than once each calendar year, to carry out the duties set forth herein. The Joint Operating Committee shall hold a meeting at the request of either Party, at a time and place agreed upon by the representatives. At its discretion, Transmission Provider may invite Public Service Company of New Mexico ("PNM") to participate in any meeting of the Joint Operating Committee. PNM is a co-owner of the 345 kV transmission line on which the Empire Substation is located. The Joint Operating Committee shall perform all of its duties consistent with the provisions of this LGIA. Each Party shall cooperate in providing to the Joint Operating Committee all information required in the performance of the Joint Operating Committee's duties. All decisions and agreements, if any, made by the Joint Operating Committee, shall be evidenced in writing. The duties of the Joint Operating Committee shall include the following:

29.1.1 Establish data requirements and operating record requirements.

29.1.2 Review the requirements, standards, and procedures for data acquisition equipment, protective equipment, and any other equipment or software.

29.1.3 Annually review the one (1) year forecast of maintenance and planned outage schedules of Transmission Provider's and Interconnection Customer's facilities at the Point of Interconnection.

29.1.4 Coordinate the scheduling of maintenance and planned outages on the Interconnection Facilities, the Large Generating Facility and other facilities that impact the normal operation of the interconnection of the Large Generating Facility to the Transmission System.

29.1.5 Ensure that information is being provided by each Party regarding equipment availability.

29.1.6 Perform such other duties as may be conferred upon it by mutual agreement of the Parties.

Article 30. Miscellaneous

30.1 Binding Effect. This LGIA and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

30.2 Conflicts. The interconnection service provided for in this Agreement calls for the addition of many provisions set forth in the Appendices to the Agreement. With respect to Appendix G, specifically, the Parties understand and acknowledge that the contents of Appendix G contain more stringent requirements than those contained in the body of this LGIA; the more stringent requirements of Appendix G are intended to control. Otherwise, the Parties intend for the content of the Appendices and the content of the body of this LGIA to be read in unison. In the event of an irreconcilable conflict between the body of this LGIA and any attachment, appendices or exhibits hereto, the Parties will work cooperatively to clarify the intent of the Parties before interconnection service begins. If the Parties do not mutually agree on a clarification, either Party may invoke the provisions of Article 17; provided, however, that the Parties commit to first pursue dispute resolution pursuant to Article 27.1.

30.3 Rules of Interpretation. This LGIA, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this LGIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this LGIA), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this LGIA or such Appendix to this LGIA, or such Section to the LGIP or such Appendix to the LGIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this LGIA as a whole and not to any particular Article or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to

the determination of any period of time, “from” means “from and including”, “to” means “to but excluding” and “through” means “through and including”.

30.4 Entire Agreement. This LGIA, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this LGIA. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party’s compliance with its obligations under this LGIA. Interconnection Customer understands that its interconnection to the Transmission Provider’s Transmission System was studied and evaluated assuming that senior requests and the facilities identified by Transmission Provider as necessary for such requests, are in effect and in service. This LGIA and its Appendices and Schedules are subject to change, based upon changes to such circumstances.

30.5 No Third Party Beneficiaries. This LGIA is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns. Interconnection Customer has notified Transmission Provider that it intends to assign this LGIA to a third party.

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

Any waiver at any time by either Party of its rights with respect to this LGIA shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this LGIA. Termination or Default of this LGIA for any reason by Interconnection Customer shall not constitute a waiver of Interconnection Customer’s legal rights to obtain an interconnection from Transmission Provider. Any waiver of this LGIA shall, if requested, be provided in writing.

30.7 Headings. The descriptive headings of the various Articles of this LGIA have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this LGIA.

30.8 Multiple Counterparts. This LGIA may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

30.9 Amendment. The Parties may by mutual agreement amend this LGIA by a written instrument duly executed by the Parties.

30.10 Modification by the Parties. The Parties may by mutual agreement amend the Appendices to this LGIA by a written instrument duly executed by the Parties. Such amendment shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.

30.11 Reservation of Rights. Transmission Provider shall have the right to make a unilateral filing with FERC to modify this LGIA with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this LGIA pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this LGIA shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

30.12 No Partnership. This LGIA shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

30.13 No Transmission. This LGIA does not provide for any transmission service for the output of the Large Generating Facility. The Interconnection Customer or the buyer of the output of the Large Generating Facility will require transmission service under Transmission Provider's Tariff. The availability of transmission service from the Point of Interconnection to a point of delivery on Transmission Provider's transmission system will be governed by Transmission Provider's Tariff.

Neither the Interconnection Customer nor the buyer of the output of the Large Generating Facility is eligible to receive free transmission of the output of the Large Generating Facility, whether through a no-fee exchange agreement or otherwise.

IN WITNESS WHEREOF, the Parties have executed this LGIA in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

El Paso Electric Company

By: _____

Title: Interim CEO

Date: 8/18/20

APPROVED AS TO FORM
OFFICE OF THE GENERAL COUNSEL

Tucson Electric Power Company

By: _____

Title: _____

Date: _____

Neither the Interconnection Customer nor the buyer of the output of the Large Generating Facility is eligible to receive free transmission of the output of the Large Generating Facility, whether through a no-fee exchange agreement or otherwise.

IN WITNESS WHEREOF, the Parties have executed this LGIA in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

El Paso Electric Company

By: _____

Title: _____

Date: _____

Tucson Electric Power Company

By: _____

Title: VP, SYSTEM OPERATIONS

Date: 8/14/20

Appendices: Interconnection Facilities, Network Upgrades and Distribution Upgrade

Appendices to LGIA

Appendix A	Interconnection Facilities, Network Upgrades, and Distribution Upgrades
Appendix B	Milestones
Appendix C	Interconnection Details
Appendix D	Security Arrangements Details
Appendix E	Commercial Operation Date
Appendix F	Addresses for Delivery of Notices and Billings
Appendix G	Interconnection Requirements for a Wind Generating Plant

Appendix A: Interconnection Facilities, Network Upgrades and Distribution Upgrades

Appendix A to LGIA

Interconnection Facilities, Network Upgrades and Distribution Upgrades Associated with ERIS[8] for the Large Generating Facility:[9]

1. Interconnection Facilities:

(a) Interconnection Customer's Interconnection Facilities:

Generator Interconnection Facilities[10]

Item	Description
Transmission Line	Generating Facility to the PCO
Static Var Compensator/STATCOM	+-48 MVAR of dynamic reactive support (i.e., leading/lagging 48 MVAR SVC/STATCOM), plus capacitors

Generator Interconnection Facilities are facilities paid for by the Interconnection Customer, owned and operated by the Interconnection Customer from the Generating Facility to the Point of Change of Ownership (PCO). The PCO is the dead-end structure that connects the Generator's gen-tie to Transmission Provider's Interconnection Facilities. The PCO is located outside the POI substation structure. The Interconnection Customer will be responsible for the design, engineering, and construction of all facilities up to the PCO. The Generator

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[8] ERIS interconnection service does not convey or imply a right to secure transmission capability, or any transmission service. Transmission service to move the output of the Interconnection Customer's Large Generating Facility from the Point of Interconnection (POI) to a Point of Delivery on the EPE transmission system requires the submission of an application under the processes in the EPE Tariff.

[9] Cost estimates have been identified in the interconnection studies performed to-date. The identified costs are simply estimates. The Interconnection Customer is responsible for paying the actual costs of interconnection facilities and network upgrades, including stand-alone network upgrades.

[10] The Interconnection Customer is on notice that its requested interconnection has the potential to create adverse impacts on a nearby DC terminal. Therefore, for example, instead of requiring the installation of a short circuit availability-supplying device, such as a synchronous condenser, as part of the Interconnection Customer's Interconnection Facilities, EPE will invoke operational procedures pursuant to which the operator of the Interconnection Customer's Generating Facility will have to comply with instructions from EPE to prevent any such adverse effects on the DC terminal, including, for example, adverse effects on the start-up, shut-down and operation of the terminal. Operating directives may include a directive to the generator operator to turn off or stagger the startup of its wind turbines. See Appendix C.

Interconnection Facilities include all generator step-up transformers, breakers, and VAR support equipment needed to integrate the Large Generating Facility. A Static Var Compensator (SVC) was identified among the interconnection facilities necessary to permit the interconnection. See the reference to "SVC" in the diagram shown as an attachment to this LGIA. Interconnection Customer shall provide to the Transmission Provider real-time data associated with the status of the SVC, the MVAR output of the SVC, the MVAR and MW output of the Large Generating Facility, and the status of the generation tie breaker(s), including any Power System Stabilizers (PSS) and Automatic Voltage Regulation (AVR), whether on, off or in auto mode, and associated settings.

Exception: Relays and associated communications equipment associated with the Interconnection Customer's gen-tie breaker(s), as well as any equipment of the Interconnection Customer installed for the dynamic transfer of the Large Generating Facility output to the Balancing Authority Area of Tucson Electric Power Company (Tucson), are owned by Interconnection Customer even though they may be located on the Transmission Provider's side of the PCO. Equipment and data transmission services necessary to effectuate and maintain dynamic transfer shall be reviewed and approved by Transmission Provider, in advance. Data to be transmitted to Tucson shall simultaneously be transmitted to Transmission Provider at Transmission Provider's control center. In the event the Interconnection Customer desires communication redundancy for its own needs and/or for implementation of dynamic transfer of Interconnection Customer's power into the Tucson Balancing Authority Area, it shall be at the Interconnection Customer's cost. Transmission Provider shall bear no cost responsibility or compliance responsibility for any communication redundancy desired by Interconnection Customer.

(b) Transmission Provider's Interconnection Facilities:

EPE Interconnection Facilities

Item	Description
Transmission Facilities	between the Large Generating Facility interconnection line dead-end structure (PCO) and the termination point at the 345 kV substation bus
Revenue Metering	on the interconnection line at a location upstream of the POI
Phasor Measurement Unit	on the interconnection line at a location upstream of the POI[11]

[11] Transmission Provider, at its discretion, may rely initially upon a digital fault recorder to capture transient events at Empire Substation. Transmission Provider will confirm in writing to Interconnection Customer

EPE Interconnection Facilities are facilities from the PCO to the POI, paid for by the Interconnection Customer but owned and operated by EPE.

Facilities *from* the gen-tie dead-end structure marking the end of the Generator's Interconnection Facilities *to* the POI (including the structure, conductor from the structure to the POI, breakers, the revenue metering equipment, and the Phasor Measurement Unit), include:

- Three (3) 345 kV 3000 A disconnect switches with MODs
- One (1) 345 kV dead-end structure
- One (1) 345kV 3000A, gas circuit breakers
- One set of three (3) 345 kV CVTs and structures (revenue quality)
- Three (3) lightning arresters mounted on dead-end structure(s)
- One Set of three (3) 345 kV Metering CTs and structures (revenue quality)
- Eight (8) insulators and structures
- Phasor measurement unit
- EPE back-up protective relaying (Interconnection Customer to have responsibility for primary protection associated with its gen-tie to the Large Generating Facility)

2. Network Upgrades:[12]

Network Upgrade Facilities	
Item	**Description**
Empire Substation	New POI 345 kV substation
Transmission Line Reconfigurations	Tying in the existing Eddy to Amrad 345 kV transmission line into the Empire substation
Shunt Reactor and Remote End Line Protection	50 MVAR of inductive support required on the Amrad line terminal at Empire and remote end line protection at Eddy and Amrad will have to be upgraded.

(a) Stand Alone Network Upgrades

- Replace one (1) of the two existing shield wires on the Amrad to Eddy

when a phasor measurement unit is required.

[12] The Interconnection Customer's Interconnection Request was studied through the use of base cases that assumed and incorporated senior requests for service and assumed that any and all transmission system modifications identified as resulting from senior requests were in place and in service. Changes in senior-queued requests may impact the generator interconnection addressed in this Agreement, and may result in changes to the facilities necessary to permit interconnection service to the Interconnection Customer under this Agreement.

345 kV line, with the new wire to run from Empire Substation to Eddy Substation[13]

- Two (2) 345kV 3000A, gas circuit breakers
- One (1) 345 kV 3000A gas synchronous breaker
- Two (2) 345kV dead-end structures
- (1 lot) steel structures for 345kV bus support, surge arresters, 345kV switches, SSVT and CVTs
- Ten (10) 345kV 3000A, disconnect switches with MODs
- Six (6) CVTs (2-sets), and structures
- One (1) 345 kV station service voltage transformer
- Six (6) lightning Arresters (2-sets)
- Four (4) shielding poles and foundations
- Twenty-Six (26) 345kV insulators for bus works
- (1 lot) ground grid system, including ground rods and grounding conductors
- (1 lot) control cables and other cables
- (1 lot) foundations for 345 kV GCB, 50 MVAR reactor, switches, CVTs, SSVT, dead-end structure, and lightning masts
- (1 lot) cable trench, raceways, pull boxes, and conduits
- (1 lot) chain link fence, site prep, grading and roadways
- 50 MVAR shunt reactor and a 345 kV synchronous breaker to control the switching of this reactor
- 15.5'x 44.0' prefabricated drop-in control building to be included on the design to house all protection and control equipment for the substation

(b) Other Network Upgrades:[14]

- Transmission Provider-owned equipment (at Empire Substation) required for Transmission Provider system protection and control, including:
  - (1 lot) transmission line relaying
  - Four (4) panels with relays, control modules and wiring
- Transmission line SCADA and communications
- Tie-in of Empire Substation to Transmission Provider's transmission line, including H frame dead-ends as the termination point of the line inside the substation associated with the tie-in of the POI 345 kV substation to the Eddy to Amrad 345 kV line. Additional details provided below:

[13] Existing static will be replaced with OPGW, as determined by Transmission Provider.

[14] Unless Transmission Provider and Transmission Customer agree, in writing, otherwise, the facilities identified in this "Other Network Upgrades" section are not to be considered Stand Alone Network Upgrades.

- The conductors shall be 795 “Drake” double bundled ACSR per phase.
- All hardware assemblies shall use EPE standard polymer insulators, bolted strain clamps on the new 3-Pole dead end structures and with compression dead-end connections at the substation dead-ends.
- Ruling Span: 400’ from the 3-pole dead-end structures to the H-frame dead-ends inside the substation.
- Loading: NESC Light District, NESC Medium District, and EPE standards.
- Maximum Conductor Operating Temperature: 212°F
- Dead-End Structure Design: Self-supported single circuit 3-Pole structures on concrete drilled pier foundations, and H frame structures.
- Design tension conductor: 25% RBS maximum under NESC Medium and 25% RBS maximum under NESC Light.
- Shield wire: (2) 3/8" 7-strand steel EHS wire on the Amrad circuit and (1) 3/8" 7-strand steel EHS wire and (1) SFPOC/SFSJ-J-4062 OPGW on the Eddy side.
- SFPOC/SFSJ-J-4062 OPGW will be run between Eddy Substation and the Empire Substation to replace the existing 3/8” 7-Strand EHS wire.[15]
- Design tension shield wire: 80% of conductor sag under 60°F Normal Conditions.
- Structure Height: Dead-end structures are 80’ total length.
- Foundations utilize reinforced drilled piers with anchor bolt cages.
- All structures are to be weathering steel

3. Distribution Upgrades: Not Applicable to this Agreement[16]

[15] See note 13.

[16] With the exception of station service equipment and facilities. Primary station power for Empire Substation will be provided via a distribution feeder. A 345 kV SSVT will be used for backup station service. Transmission Provider shall own and operate the equipment and facilities necessary for station service.

Important Notes:

Access to the site on which the Large Generating Facility and the interconnection facilities (including the 345 kV substation) are to be located will require new road(s), which are to be built by the Interconnection Customer. The costs associated for the construction of the road were not included in the estimated costs for the interconnection. The Interconnection Customer will share road access with EPE in order for EPE to operate the new 345 kV substation and EPE
Interconnection Facilities. Land rights to the portion of the site on which the substation and EPE Interconnection Facilities are to be located will be permanently transferred or assigned by Interconnection Customer to EPE in advance of the Generating Facility's Commercial Operation Date, at a date to be specified by Transmission Provider.

The remote end line protection at Eddy and Amrad will have to be upgraded for this installation. Transmission Provider will design and install this protection.

345kV line CCVTs will have to be installed at Amrad Substation on the Empire line. These line CCVTs are needed as a result of the protection system upgrades required for the interconnection. Transmission Provider will design and install these CCVTs.

All line and breaker disconnect switches will be motor operated.

Ground grid is estimated with 4/0, 19 strand bare copper, pending ground grid design.

Ground grid conductor spacing will be 25' between runs.

Security fence shall be 6' chain link fence with an additional 1' for 3-barbed wire runs.

Communications between Empire and Eddy Substations will be via OPGW. Interconnection Customer will establish a communications channel between its Large Generating Facility and Empire Substation.

A 50 MVAR 345 kV shunt reactor will be placed on the Amrad line terminal of the Empire Substation. A 345 kV synchronous breaker will control the switching of this reactor. The need for the reactor at the Empire Substation is a direct result of the Interconnection Customer's desired POI location, which calls for an existing transmission line to be split into two new line segments. Transmission operations, including the ability to effectively implement line switching orders, depends upon a reactor at the substation that marks the location where the line segments connect

to each other.

A 15.5'x 44.0' Prefabricated Drop-in Control Building will be included on the design to house all protection and control equipment for the substation.

The cost estimates identified during the Interconnection Study Process for the Large Generating Facility are simply estimates. The Interconnection Customer is responsible for paying the actual costs of interconnection facilities and network upgrades.

EPE is subject to NERC requirements that change over time and affect EPE facilities, sometimes requiring facility and equipment additions or modifications. Those requirements include NERC CIP-014 requirements under which EPE is to evaluate annually the impacts of certain facilities, including transmission substations. The level of such impacts depends on many factors and dictate the need for security installations on the EPE system based upon whether the site is considered high, medium or low impact. The Interconnection Customer is on notice that EPE's compliance with the NERC Reliability Standards may require the implementation of physical security at or in the vicinity of the POI Substation. Such compliance is to be evaluated under the timelines required under the NERC Reliability Standards.

Appendix B: Milestones

Appendix B to LGIA

Milestones[17]

Introductory Notes:

- The Interconnection Customer has exercised its Option to Build Stand Alone Network Upgrades and Transmission Provider Interconnection Facilities.

- Engineering, design and procurement have already commenced under the 2018 Agreement. Such activities will continue under this LGIA. In addition, construction will commence under this LGIA. The Interconnection Customer is to undertake its engineering, design, procurement and construction activities, subject to Transmission Provider's timely review and approval, such approval not to be unreasonably delayed or withheld. Transmission Provider is to provide design specifications and construction standards to Interconnection Customer subject to appropriate confidentiality protections. In addition, Transmission Provider is to review and approve Interconnection Customer's proposed work and designated vendors, and associated cost estimates. With respect to the procurement of materials and equipment, Interconnection Customer shall provide Transmission Provider with itemized, written schedules of materials and equipment it seeks to procure and the vendors for such materials and equipment, in advance of their procurement. The schedule of materials and equipment shall list the estimated delivered price of each item and the estimated amount of time each item will take to deliver. Interconnection Customer shall not procure any materials or equipment unless and until Transmission Provider approves the equipment design specifications and designated vendor(s) and provides written authorization to proceed that specifies the items Transmission Provider authorizes Interconnection Customer to procure. Such written authorization shall not be unreasonably delayed or withheld. Upon receipt of approval, Interconnection Customer shall procure the authorized items.

[17] The dates shown in the Milestones related to construction activities, backfeed, trial operation, etc. are estimates. Delays may be encountered for a variety of reasons, including, but not limited to right of way acquisition, permitting, inclement weather that impedes construction, the inability to take line outages due to reliability or other reasons, or Force Majeure events.

- Transmission Provider is not subject to any potential payment to Interconnection Customer of liquidated damages under Article 5 this Agreement because the Interconnection Customer has elected to proceed under Article 5.1.3 of the Agreement, and not Article 5.12 or Article 5.14 of the Agreement. Yet, Interconnection Customer has expressed a desire for Initial Synchronization/Trial Operation, and Commercial Operation Dates as shown below. Transmission Provider does not assume responsibility for their satisfaction.

- Initial Synchronization and Trial Operation typically occur at a point where facilities and equipment are in place to the extent necessary to allow for Trial Operation at full power output. Transmission Provider, in its sole discretion, may allow for trial operation at less than full power output on the Initial Synchronization milestone shown in this Appendix B even if the shunt reactor is not yet installed and operational at that time. The Transmission Provider will determine how much output of the Large Generating Facility may be allowed at that time.

	Milestone	**Date**[18]	**Responsible Party**
1	Engineering, design and procurement activities began previously under the 2018 Engineering and Procurement Agreement between the parties. Upon the effective date of the instant LGIA, engineering, design and procurement will continue without interruption, and construction activities will commence.	**Engineering and Procurement Agreement effective November 10, 2018 (FERC Docket No. ER19-317-000)**	**Both Parties**
2	Interconnection Customer has elected the Option to Build and is the Party	**Deemed confirmed upon LGIA execution**[20]	**Interconnection Customer**

[18] Notice with respect to Option to Build under LGIA Section 5.1.3: The Transmission Provider has determined that the dates identified by Interconnection Customer, including dates for Trial Operation, Initial Synchronization and Commercial Operation may not be achievable in light of the good faith timeline estimates provided by Transmission Provider in the interconnection studies. Pursuant to Section 5.1.3 of this LGIA, Interconnection Customer desires to assume responsibility (and hereby does assume responsibility) for the engineering, design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades identified in Appendix A. Transmission Provider shall oversee Interconnection Customer's activities and shall include oversight costs in its invoices to Interconnection Customer.

[20] References to the execution date shall be interpreted to mean either the date the LGIA is signed by both Parties, or the effective date of the LGIA identified by FERC in its order accepting the

	Milestone	Date[18]	Responsible Party
	performing the engineering, design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand-Alone Network Upgrades. In entering into this Interconnection Agreement, Interconnection Customer confirms to Transmission Provider its authorization to proceed with those activities for which the Transmission Provider is responsible under this Agreement.[19]		
3	Interconnection Customer provides letter of credit[21] in the amount of $ 2.2 million.	**Upon LGIA execution**	**Interconnection Customer**
4	Certification by each Party of satisfaction of all insurance requirements (per Art. 18.3.9)	**Within 10 calendar days of LGIA execution**	**Both Parties**
5	Submission of initial specifications for the Interconnection Customer's Interconnection Facilities under Art. 5.10.1, Information Submission of Transmission Provider under Art. 24.2, and Updated Information Submission of Interconnection Customer under Art. 24.3	**180 calendar days prior to Trial Operation/Initial Synchronization Date**	**Both Parties**
6	Submission of final specifications for the Interconnection Customer's Interconnection Facilities (per Art. 5.10.1)	**No later than 90 calendar days following tender of initial specifications, and at least 90 calendar days prior to Trial Operation/Initial Synchronization Date**	**Interconnection Customer**
7	Control Area written notification by Interconnection Customer (per Art. 9.2)	**At least three months before Energization of Interconnection Customer's Interconnection Facilities**	**Interconnection Customer**

LGIA.

[19] Interconnection Customer roles and responsibilities and Transmission Provider roles and responsibilities are identified in this Agreement, and set forth in greater detail in Appendices A, C and G. The text of the Agreement contains requirements and timing specifications other than those identified in this Appendix B. Their absence in Appendix B does not mean that they are being waived.

[21] Or other form of security reasonably acceptable to Transmission Provider.

	Milestone	Date[18]	Responsible Party
8	Interconnection Customer to submit to Transmission Provider United States Bureau of Land Management (BLM) rights of way and any other access rights to the site on which Empire Substation is located, and access rights to the site on which the tie-in of the Amrad-Eddy 345 kV transmission line to Empire Substation is located[22]	**Following Interconnection Customer's completion of the Empire Substation and all of its components[23] [24]**	**Interconnection Customer**
9	Transmission Provider to (a) install Network Upgrades for which it is responsible (Network Upgrades other than Stand-Alone Network Upgrades), and (b) perform the tie-in of its Amrad-Eddy 345 kV transmission line to the Empire Substation constructed by ~~Interconnection Customer~~	**May 6, 2020, or 12 weeks after Interconnection Customer provides to Transmission Provider, at Transmission Provider's specific request, authorization from BLM to be on the site,[25] whichever occurs later (subject to outage coordination and**	**Transmission Provider**

[22] Interconnection Customer is to secure authorization from BLM for the Transmission Provider to be on the site of the Empire Substation and the site on which the tie-in is located so that Transmission Provider may proceed with its work. The land access authorizations that Interconnection Customer is to tender to Transmission Provider under this milestone is to include access rights to the east-west access road parallel to Lovington Highway. At this stage in the milestones, the access rights to be tendered by Interconnection Customer to Transmission Provider may be temporary in nature but shall be sufficient to enable Transmission Provider to perform the activities required for completion of Network Upgrades other than Stand Alone Network Upgrades. A permanent transfer of rights, ownership and title to land, equipment and facilities from Interconnection Customer to Transmission Provider shall occur at a date (if in increments, at dates) specified by Transmission Provider. In tendering to Transmission Provider land rights to permit Transmission Provider to complete its responsibilities under this Agreement, Interconnection Customer is not transferring to Transmission Provider liability for damages, defects and/or losses associated with the activities of Interconnection Customer and its contractors. Transmission Provider shall have the right to review and approve, in writing, the land rights before Interconnection Customer transfers them to Transmission Provider.

[23] With the exception of the shunt reactor, which may to be installed after the tie-in.

[24] Transmission Provider will notify Interconnection Customer in writing when Transmission Provider finds that the Interconnection Customer's work in constructing the Empire Substation has reached the point at which Transmission Provider desires to receive authorization to perform its own work at the site. Transmission Provider will be keeping track of the Interconnection Customer's activities through the use of checklists. Those checklists will allow Transmission Provider to determine when the Empire Substation is ready for the Transmission Provider to perform its tasks at the site, including, but not limited to, protection and control system installation.

[25] The 12-week window will begin (1) after the Transmission Provider notifies the Interconnection Customer, in writing, that the Stand Alone Network Upgrades and Transmission Provider Interconnection Facilities have reached the point where Transmission Provider can begin its own installations at the site and therefore requests, and (2) Interconnection Customer provides BLM authorization and access road rights necessary for Transmission Provider to be on the site for the performance of its activities.

Milestone	Date[18]	Responsible Party
	Transmission Provider approval)[26]	
10 Energization of Interconnection Customer's Interconnection Facilities up to the Generating Facility site substation, excluding collection system and turbines	**Later of (1) May 13, 2020, or (2) after all of the following activities are completed: (a) Transmission Provider completes those Network Upgrades for which it is responsible (i.e., Network Upgrades other than Stand-Alone Network Upgrades, including the tie-in), (b) Interconnection Customer installs its SVC/STATCOM[27], and (c) Interconnection Customer installs and validates its protection system equipment and tenders to Transmission Provider those test results.**	**Interconnection Customer**
11 Interconnection Customer's desired Initial Synchronization Date, which marks the beginning of Trial Operation, including export power testing sequence start, subject to restrictions by Transmission Provider if not all equipment and facilities are in place and in service.[28]	**Later of (1) June 15, 2020, or (2) after satisfaction of the activities required for Energization of Interconnection Customer's Interconnection Facilities up to the Generating Facility site substation, excluding collection system and turbines**	**Interconnection Customer**

[26] Transmission Provider typically does not permit transmission line outages from mid-May to late September. The tie-in will require a line outage.

[27] The SVC/STATCOM must be installed before energization of the gen-tie line and Trial Operation unless the Transmission Provider determines otherwise at the time.

[28] Transmission Provider may limit the Generating Facility's output during Trial Operation until final testing, commissioning and operation of all facilities and equipment required for the interconnection.

Milestone	Date[18]	Responsible Party
12 Energization and initial testing of 50 MVAR 345 kV shunt reactor at Empire Substation, contingent upon Interconnection Customer meeting its Option to Build obligations	**Later of (1) July 15, 2020, or (2) after Transmission Provider installs Network Upgrades for which it is responsible (Network Upgrades other than Stand-Alone Network Upgrades) and completes the tie-in of its Amrad-Eddy 345 kV transmission line to the Empire Substation**	**Interconnection Customer, with Transmission Provider present**
13 Interconnection Customer's desired Commercial Operation Date (COD)	**September 30, 2020**	**Interconnection Customer**

Appendix C: Interconnection Details

Appendix C to LGIA

Interconnection Details

The Large Generating Facility: the Oso Grande Wind Generating Facility

The Large Generating Facility is a 249.8 MW wind generating facility consisting of 48 Siemens Gamesa SG-4.5 MW and 14 Siemens SWT-2.415 MW wind turbines.[29] The initial voltages will be stepped up to 34.5 kV. Two transformers will step up the collector voltage to the final voltage of 345 kV before it is transmitted through an approximately 35-mile gen-tie line to the Empire Substation. The Empire Substation is to be constructed for the purpose of interconnecting the Large Generating Facility to the

Transmission Provider's transmission system at a location on Transmission Provider's existing Amrad-Eddy 345 kV transmission line. An SVC/STATCOM device for dynamic reactive support of +/- 48 MVAR (i.e., leading/lagging 48 MVAR) is to be installed by Interconnection Customer on the Interconnection Customer's side of the Point of Change of Ownership (PCO).[30] In addition, capacitors are to be installed by Interconnection

[29] The Interconnection Customer's previously submitted a request for a 247.4MW Large Generating Interconnection Facility. Subsequently, the Interconnection Customer submitted a new ERIS interconnection request to add an additional Siemens SWT 2.415 MW wind turbine to the same previously studied project, resulting in an increase in the size of the Interconnection Customer's Large Generating Facility from 247.4 MW to 249.8 MW. The Transmission Provider performed the required study work and determined that the new turbine could be added to the Large Generating Facility without the need for additional Interconnection Facilities or Network Upgrades.

[30] The Transmission Provider strongly recommended that the SVC/STATCOM be installed by Interconnection Customer at a location near the PCO, because Transmission Provider's evaluation of the models provided by Interconnection Customer revealed issues regarding the ability of the Large Generating Facility output to reach the Point of Interconnection with such an SVC/STATCOM sized at 48 MVAR. Unit tripping and voltage issues were observed in the model simulations. However, the Interconnection Customer strongly desires to locate the SVC/STATCOM at the site of its generating facility. The Interconnection Customer does not agree with the Transmission Provider's concerns, and accepts the risks associated with installing its SVC/STATCOM such a long distance from the PCO. Transmission Provider will not be responsible for remedying issues associated with the Interconnection Customer's decision.

Customer on the Interconnection Customer's side of the PCO. The connection and configuration of the Large Generating Facility's interconnection to the Transmission Provider's transmission system is shown in a diagram attached to this LGIA.[31] Although not depicted in the diagram: (a) the Interconnection Customer's gen-tie is long (approximately 35 miles long), and (b) the final design may provide for a PCO dead-end structure within the Empire Substation perimeter.

Because the Large Generating Facility is a wind resource, the Interconnection Customer is required to provide to Transmission Provider meteorological and forced outage data as set forth in Article 8.4 of this Agreement.

Interconnection Customer is Generator Owner and Generator Operator of the Large Generating Facility. Interconnection Customer has selected the site of the Large Generating Facility and the type of wind turbines and other equipment for installation at the site of the Large Generating Facility. Transmission Provider does not guarantee the performance of Large Generating Facility, or the capability of the turbines to start and/or operate as designed and desired by Interconnection Customer.

The Type of Interconnection Service

Energy Resource Interconnection Service, on an as-available basis, up to a maximum of 249.8 MW.

Balancing Authority

[31] Configuration shown in the diagram is subject to adjustment once final design is completed.

The Large Generating Facility will not be located in the Transmission Provider's Balancing Authority Area. Tucson Electric Power Company (Tucson) is to serve as the Balancing Authority for the Large Generating Facility and its output. The output is to be dynamically transferred to Tucson by dynamic schedule or by pseudo tie, at Transmission Provider's option.

The Role of EPE as Transmission Owner and Transmission Provider

The Interconnection Customer is on notice that the Amrad-Eddy 345 kV transmission line is not solely owned by EPE. Public Service Company of New Mexico ("PNM") is a co-owner of the transmission line, and pre-existing agreements between EPE and PNM govern modifications to the transmission line. EPE identified PNM as an Affected System with respect to the proposed interconnection. EPE is to serve in the role of Transmission Provider under this Agreement, with the expectation and understanding that the transmission facilities that are being procured, installed and/or constructed under this Agreement are to be owned by EPE, in full. Transmission Provider agrees to use commercially reasonable efforts in resolving possible issues with its facility co-owner in a manner that would allow Transmission Provider to provide interconnection service under this Agreement.

Environmental Work and Land and Access Rights

Environmental services and the acquisition of land rights and any permitting associated with Transmission Provider Interconnection Facilities, StandAlone Network Upgrades (including the Empire Substation) and Network Upgrades (including the tie-in of the Empire Substation to the Eddy-Amrad 345 kV transmission line) will be handled by the Interconnection Customer, except as provided in Subsection 4, below:

1. The substation is located on United States Bureau of Land Management (BLM) Public Land. Development of BLM land requires precise coordination and thorough report preparation. This may include surveys for wetlands, waterbodies, threatened and endangered species, and cultural resource sites.
2. There is a cultural site located on the eastern edge of the substation.
3. There are multiple threatened and endangered species listed throughout Eddy County, New Mexico. Surveys may be required to verify presence/absence.
4. In circumstances in which the 345 kV tie-in requires access to and/or structural work within Transmission Provider's transmission right-of-way corridor, Transmission Provider shall perform such work. In addition, the electrical connection between the Empire Substation and the Amrad to Eddy 345 kV transmission line will be performed by Transmission Provider.

Line Outages

Interconnection Customer shall be responsible for compensating Transmission Provider for costs (e.g., redispatch costs) associated with taking line outages associated with the construction, testing and in-service activities under this Agreement.

Scheduling Risks and Factors

The following schedule risks were identified during the interconnection study process regarding the facility upgrades required for the interconnection of the Large Generating Facility:

1. The timing and duration to acquire the necessary land acquisition/easements and environmental services/permitting may have an adverse impact on the project schedule.

2. Denial of line outages required for project construction could result in schedule delays. Transmission line outages are:
    a. typically not taken from mid-May to late September,
    b. discouraged during extreme winter conditions or at times during which the system is operating under stressed conditions,[32] and
    c. in some cases, must be scheduled twelve (12) or more months in advance.
3. Delays in project funding may have an adverse impact on the project schedule.
4. Delays in engineering, procurement and testing of major equipment may have an adverse effect on the project schedule.
5. Changes to the soil conditions revealed by the geotechnical borings could influence the design/scope and lead to schedule and cost impacts.
6. General construction activities have the potential to be delayed due to inclement weather.
7. The shunt reactor identified as necessary for the interconnection may not be available and in service until after the Interconnection Customer's desired Commercial Operation Date. During the period before the shunt reactor is installed and ready to be placed in service, Transmission Provider, in its sole discretion, may permit Interconnection Customer's Large Generating Facility to generate output for tender to Empire Substation, subject to the Transmission Provider's right to direct the curtailment of Interconnection Customer's

[32] Even once outages are granted and scheduled, last minute denials, sometimes without notice, can occur due to dynamically changing system limitations and unanticipated contingencies.

Large Generating Facility output as necessary, without restriction. Transmission Provider will disable the breakers at the Amrad and Eddy sides of Empire Substation until the reactor is in service, so that during a fault, the breakers will open at Amrad and Eddy and not at Empire Substation.

Operating Procedure

I. STATEMENT OF PURPOSE

The Interconnection Customer's Large Generating Facility (the 249.8 MW Oso Grande Wind Generating Facility) may adversely impact the start-up and/or operation of the Eddy County HVDC Terminal. Components of the Oso Grande Wind Generating Facility, including, specifically, the facility's inverters, may interfere with the terminal's ability to start-up and operate. Transmission Provider may give operating instructions to Interconnection Customer, as Generator Operator of the Large Generating Facility. Such operating instructions may include instructions for the Generator Operator to reduce its electrical output and/or take off-line its Large Generating Facility.

II. PROTECTING TERMINAL START-UP AND/OR OPERATION

a. The terminal is stopped and restarted whenever the direction of flow through the terminal must be changed. In addition, the terminal must be restarted after forced and unforced outages. Operating the terminal, including and especially during start-up operations, requires sufficient short-circuit duty and reactive power.

b. When the terminal must be started to effectuate transactions across it, such start-up activities typically occur in advance of 10:00 AM MST. Once the terminal is on, the terminal typically remains on for minimum standard durations. Once the terminal is off, the terminal typically remains off for minimum standard durations.

c. If an entity that directly interconnects to the terminal declares an Emergency under the NERC Reliability Standards, including an Energy or Capacity Emergency, then that party may utilize the terminal in a manner consistent with curing the declared emergency.[33]

III. OPERATING INSTRUCTIONS

a. Transmission Provider will fashion its operating instruction in a manner that does not unnecessarily restrict Generator Operator's operations beyond what is required.

b. Generator Operator of Interconnection Customer shall comply with all operating instructions.

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[33] At present, the entities directly interconnected to the terminal are: Transmission Provider, Public Service Company of New Mexico, and Southwestern Public Service Company. Southwestern Public Service Company is part of the Southwest Power Pool.

c. The circumstances more likely to give rise to the need for any such operating instructions are when:
    - The terminal is primed for start-up, or flow across the terminal is changing direction, thereby requiring the terminal to be removed from service, before being re-started
    - The Large Generating Facility is at start-up, or is starting and activating inverters after intermittent operations
    - Short circuit duty is low and/or reactive power is deficient
    - Commutation across the terminal ceases
    - A portion of Transmission Provider's transmission system at/near Empire Substation is out of service or is being brought back to connectivity after being out of service
    - Emergency or other adverse conditions are anticipated by Transmission Provider or are imminent

d. Transmission Provider will perform operating studies, as necessary, to appropriately inform the scope, timing and duration of operating instructions.

e. When circumstances/conditions that gave rise to the operating instructions are relieved or no longer present, Transmission Provider will communicate with Generator Operator.

* During emergency conditions or other conditions in which the Transmission Provider's system is stressed, Transmission Provider may deviate from this operating procedure, as necessary and appropriate, consistent with Good Utility Practice.

Appendix D: Security Arrangements Details

Appendix D to LGIA

Security Arrangements Details

Infrastructure security of Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day Transmission System reliability and operational security. FERC will expect all entities, including Transmission Providers, market participants, and Interconnection Customers interconnected to the Transmission System to comply with the Reliability Standards promulgated by FERC and administered by the North American Electric Reliability Corporation (NERC) and associated Regional Reliability Organizations (RRO). In EPE's service territory, the RRO is the Western Electricity Coordinating Council (WECC).

Appendix E: Commercial Operation Date

Appendix E to LGIA

Commercial Operation Date

This Appendix E is a part of the LGIA between Transmission Provider and Interconnection Customer.

[Date]

[Transmission Provider Address]

Re: The Oso Grande Large Generating Facility

Dear _____:

On **[Date] [Interconnection Customer]** has completed Trial Operation of the Oso Grande Large Generating Facility. This letter confirms that [Interconnection Customer] commenced Commercial Operation of the Large Generating Facility, effective as of [**Date plus one day**].

Thank you.

[Signature]

[Interconnection Customer Representative]

Appendix F: Addresses for Delivery of Notices and Billings

Appendix F to LGIA

Addresses for Delivery of Notices and Billings

Notices:

Transmission Provider:

EPE System Planning
Attn: **David Tovar**
P.O. Box 982 - LOC 751
El Paso, Texas 79960

EPE System Planning
Attn: **Roberto Favela**
P.O. Box 982 - LOC 751
El Paso, Texas 79960

Interconnection Customer:

Tucson Electric Power Company
Attn: **Sam Rugel**
Director System Control & Reliability
88 East Broadway Blvd.
Mail Stop SC208
Tucson, AZ 85701

Billings and Payments:

Transmission Provider: Same as above

Interconnection Customer: Same as above

Alternative Forms of Delivery of Notices (telephone and email):

Transmission Provider:

David Tovar
(915)543-4355
dav.tovar@epelectric.com

Roberto Favela
(915)521-4418
roberto.favela@epelectric.com

Interconnection Customer:
Sam Rugel
((520) 745-3265
srugel@tep.com

Appendix G: Interconnection Requirements for a Wind Generating Plant

Appendix G to LGIA
Interconnection Requirements for a
Wind Generating Plant

Appendix G sets forth requirements and provisions specific to a wind generating plant. All other requirements of this LGIA continue to apply to wind generating plant interconnections; provided, however, that at the time this LGIA is being entered into, NERC is posting additional guidance and potential requirements to be applicable to non-synchronous generating resources with respect to performance and response, among other things. To the extent any NERC-posted guidance or standards issued before or during the term of this LGIA provide for more stringent measures than those identified in this LGIA, Interconnection Customer shall adhere to the more stringent measures. At least 90 days prior to energization of the Large Generating Facility, Interconnection Customer shall conform to NERC's Inverter-Based Resource Performance Guideline in its then-current form, unless this Agreement specifically calls for more stringent measures.

A. Technical Standards Applicable to a Wind Generating Plant

i. Low Voltage Ride-Through (LVRT) Capability

A wind generating plant shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard below. The LVRT standard provides for a transition period standard and

a post-transition period standard.

Transition Period LVRT Standard - Not Applicable

The transition period standard applies to wind generating plants subject to FERC Order 661 that have either: (i) interconnection agreements signed and filed with the Commission, filed with the Commission in unexecuted form, or filed with the Commission as non-conforming agreements between January 1, 2006 and December 31, 2006, with a scheduled in-service date no later than December 31, 2007, or (ii) wind generating turbines subject to a wind turbine procurement contract executed prior to December 31, 2005, for delivery through 2007.

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 - 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles at a voltage as low as 0.15 p.u., as measured at the high side of the wind generating plant step-up transformer (i.e. the transformer that steps the voltage up to the transmission interconnection voltage or “GSU”),

after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system.

2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.

3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.

4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr Compensator, etc.) within the wind generating plant or by a combination of generator performance and additional equipment.

5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

Post-transition Period LVRT Standard

All wind generating plants subject to FERC Order No. 661 and not covered by the transition period described above must meet the following requirements:

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 - 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system. A wind generating plant shall remain interconnected during such a fault on the transmission system for a voltage level as low as zero volts, as measured at the high voltage side of the wind GSU.
2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU.
3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.
4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr Compensator) within the wind generating plant or by a

combination of generator performance and additional equipment.

5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

ii. Active Power Frequency Control

Dynamic response of the active power-frequency control system of the Large Generating Facility, as measured at the Point of Interconnection, should have the capability to meet or exceed the performance specified in Table 1.

Table 1: Dynamic Active Power-Frequency Performance

Parameter	Description	Performance Target
For a step change in frequency as measured at the POI…		
Reaction Time	Time between the step change in frequency and the time when the resource active power output begins responding to the change[34]	< 500 ms
Rise Time	Time in which the resource has reached 90% of the new steady-state (target) active power output command	< 4 sec
Settling Time	Time in which the resource has entered into, and remains within, the settling band of the new steady-state active power output command	< 10 seconds
Overshoot	Percentage of rated active power output that the resource can exceed while reaching the settling band	< 5%**
Settling Band	Percentage of rated active power output that the resource should settle to within the settling time	< 2.5%**

** Percentage based on final (expected) settling value

The Interconnection Customer shall adequately response to frequency excursion events outside a +- 0.036 Hz deadband. The Interconnection Customer will reserve generation headroom to provide the frequency ride-through response, and the Large Generating Facility shall respond to overfrequency excursion events outside the deadband by reducing active power output in accordance with the 5 percent droop specification.

iii. Power Factor Design Criteria (Reactive Power)

The following reactive power requirements apply only to a newly interconnecting wind generating plant that has executed a Facilities Study Agreement as of the effective date of the Final Rule establishing the reactive power requirements for non-synchronous generators in section 9.6.1 of this LGIA (Order No. 827). A wind generating plant to which this provision applies shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this LGIA, which requirement is applicable to the instant interconnection and necessary to ensure safety or reliability. The power factor range standard shall be dynamic and can be met by using, for example, power electronics designed to supply this level of reactive capability). The Interconnection Customer shall not disable power factor equipment while the wind plant is in operation. Wind plants shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system; the dynamic

voltage support requirements of the Interconnection Customer's Large Generating Facility are addressed in greater detail in this Agreement, including in this Appendix G.

The reactive capability of the Large Generating Facility shall be dynamic (rather than static), and be able to supply and absorb reactive current to control Point of Interconnection voltage. Static reactive compensation is only to be used for compensating for losses in the collector system. The Large Generating Facility shall operate primarily in voltage support mode. Following a trip, the Large Generating Facility's total return time shall not exceed 1 second from momentary cessation, and the Large Generating Facility shall have an operating ramp rate of 200%/sec.

The Interconnection Customer is required to configure and operate the Large Generating Facility in the automatic voltage control mode necessary to control voltage at the Point of Interconnection to maintain the scheduled voltage provided by Transmission Provider. Transmission Provider and Interconnection Customer shall coordinate with each other to permit Transmission Provider to perform studies on a periodic basis to ensure that voltage schedules and voltage controls are coordinated across the Large Generating Facility and other transmission-connected reactive power devices. Studies shall demonstrate that the Large Generating Facility complies with the most current NERC guidelines and standards.

The Large Generating Facility shall have the capability to meet or exceed the performance specified in Table 2 and Table 3. Interconnection Customer shall demonstrate compliance with these requirements.

Table 2: Small Disturbance Reactive Power-Voltage Performance

Parameter	Description	Performance Target
For a step change in voltage as measured at the POI…		
Reaction Time	Time between the step change in voltage and when the resource reactive power output begins responding to the change[35]	< 500 ms*
Rise Time	Time between a step change in control signal input (reference voltage at POI) and when the reactive power output changes by 90% of its final value	< 1-30 sec**
Overshoot	Percentage of rated reactive power output that the resource can exceed while reaching the settling band	< 5%***

* Reactive power response to change in POI voltage should occur with no intentional time delay. ** Response time may be modified based on studied system characteristics.
*** Any overshoot in reactive power response should not cause BPS voltages to exceed acceptable voltage limits.

Table 3: Large Disturbance Reactive Current-Voltage Performance

Parameter	Description	Performance Target
For a large disturbance step change in voltage, where voltage falls outside the continuous operating range, the positive sequence component of the inverter reactive current response should meet the following performance specifications…		
Reaction Time	Time between the step change in voltage and when the resource reactive current output begins responding to the change[36]	< 16 ms
Rise Time	Time between a step change in control signal input (reference voltage at POI) and when the reactive current output changes by 90% of its final value	< 100 ms
Overshoot	Percentage of rated reactive current output that the resource can exceed while reaching the settling band	Determined by the TP/PC*

* Any overshoot in reactive power response should not cause BPS voltages to exceed acceptable voltage

limits. The magnitude of the dynamic response may be requested to be reduced by the TP or PC based on stability studies.

iv. Supervisory Control and Data Acquisition (SCADA) Capability

The wind plant shall provide SCADA capability to transmit data and receive instructions from the Transmission Provider to protect system reliability. The Transmission Provider and the wind plant Interconnection Customer shall determine what SCADA information is essential for the proposed wind plant, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability in its area.

Appendix 7 INTERCONNECTION PROCEDURES FOR A WIND GENERATING PLANT

APPENDIX 7 TO LGIP

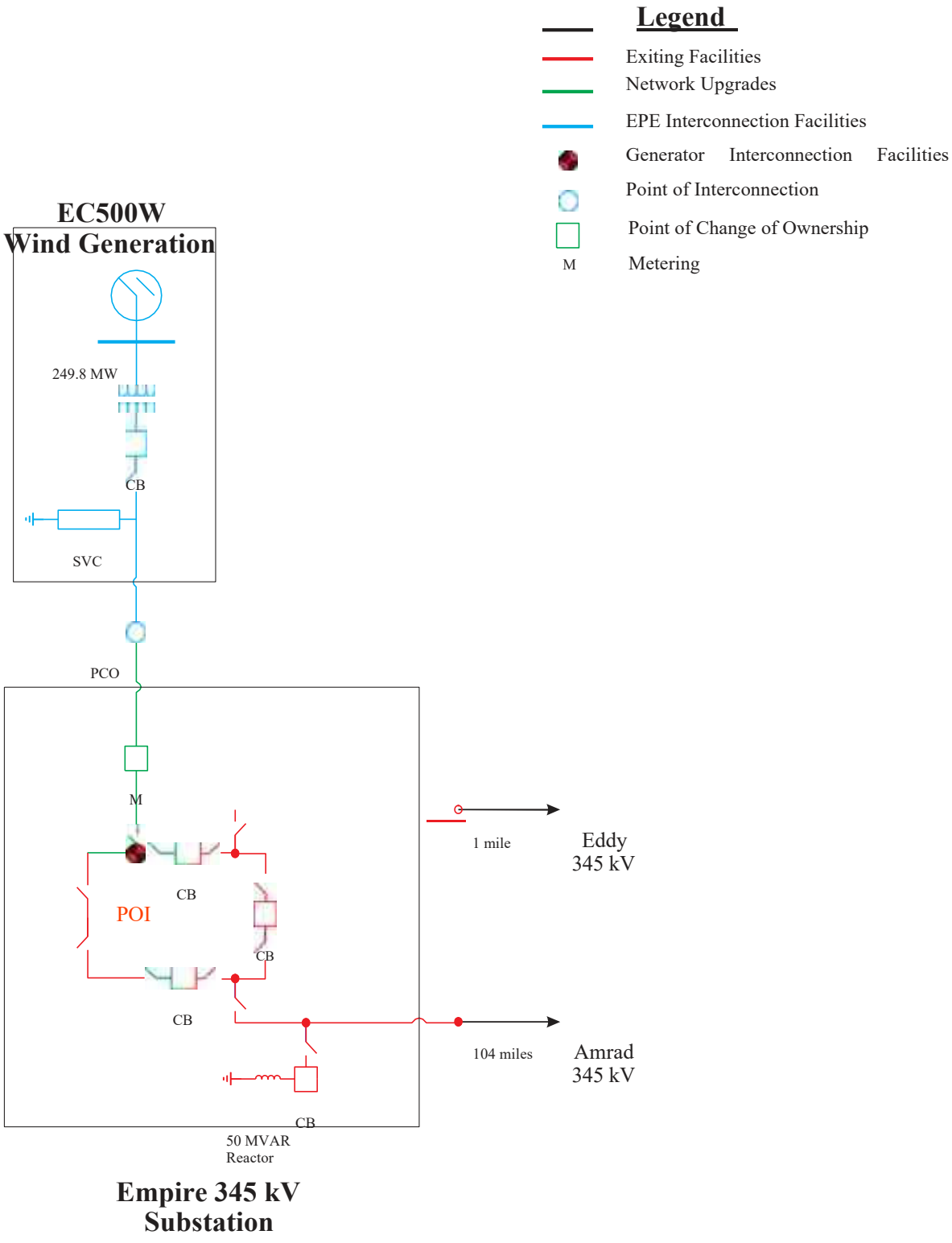
INTERCONNECTION PROCEDURES FOR A WIND GENERATING PLANT

Appendix G sets forth procedures specific to a wind generating plant. All other requirements of this LGIP continue to apply to wind generating plant interconnections.

A. Special Procedures Applicable to Wind Generators

The wind plant Interconnection Customer, in completing the Interconnection Request required by section 3.3 of this LGIP, may provide to the Transmission Provider a set of preliminary electrical design specifications depicting the wind plant as a single equivalent generator. Upon satisfying these and other applicable Interconnection Request conditions, the wind plant may enter the queue and receive the base case data as provided for in this LGIP.

No later than six months after submitting an Interconnection Request completed in this manner, the wind plant Interconnection Customer must submit completed detailed electrical design specifications and other data (including collector system layout data) needed to allow the Transmission Provider to complete the System Impact study.


Legend
Exiting Facilities
Network Upgrades
EPE Interconnection Facilities
Generator Interconnection Facilities
Point of Interconnection
Point of Change of Ownership
M
Metering
EC500W
Wind Generation
249.8 MW
CB
SVC
PCO
M
CB
POI
CB
CB
CB
1 mile
Eddy
345 kV
104 miles
Amrad
345 kV
50 MVAR
Reactor
Empire 345 kV
Substation

Tariff Submitter:	El Paso Electric Company
FERC Tariff Program Name:	FERC FPA Electric Tariff
Tariff Title:	Open Access Transmission Tariff
Tariff Record Proposed Effective Date:	January 9, 2020
Tariff Record Title:	OATT, Nonconforming Service Agreements, Service Agreement No. 329, Assignment of LT Firm PTP TSA from EDF to TEP, 0.0.0
Option Code:	A
The Entity Receiving Service Under the Agreement:	Tucson Electric Power Company
Brief Description of the Service Agreement:	Assignment of LT Firm PTP TSA

Service Agreement for
the Transfer of Firm and Conditional Firm
Point-To-Point Transmission Service

1.0 This Service Agreement, dated as of January 9, 2020, is entered into, by and between El Paso Electric Company ("Transmission Provider"), Tucson Electric Power Company ("Assignee" or "Transmission Customer"), and EDF Renewables Development, Inc. (f/k/a EDF Renewable Development, Inc.) ("Reseller") ("Transfer Agreement"). Transmission Provider, Assignee or Transmission Customer, and Reseller are collectively referred to as the "Parties" hereunder. This Transfer Agreement shall become effective upon the effective date imposed by the Federal Energy Regulatory Commission in an order accepting the Transfer Agreement, without change ("Effective Date"); provided, however, that a condition precedent to this Transfer Agreement is the effectiveness of the service agreements to be transferred. In no event will this Transfer Agreement become effective as to a service agreement providing transmission service rights, if the underlying agreement providing for such transmission service rights does not become effective.

2.0 The Assignee has been determined by the Transmission Provider to be an Eligible Customer under the Transmission Provider's Open Access Transmission Tariff (the "Tariff") pursuant to which the transmission service rights to be transferred were originally obtained.

3.0 The Assignee has satisfied the creditworthiness requirements of Section 11 of the Tariff.

4.0 The terms and conditions for the transaction entered into under this Transfer Agreement shall be subject to the terms and conditions of Part II of the Transmission Provider's Tariff, except as specifically provided otherwise in the underlying service agreements and except as specifically provided for in Sections 4.2 and 5 of this Transfer Agreement, below. Changes by the Assignee to the Reseller's Points of Receipt and Points of Delivery will be subject to the provisions of Section 23.2 of the Tariff.

4.1 As permitted under Section 23.1 of the Tariff, as of the Effective Date of this Transfer Agreement, Reseller hereby transfers and conveys to Assignee its rights, and interest in and to 250 MWs of the transmission service, in aggregate, reserved under Service Agreement Nos. 315, 317, 326 and 327, and all of Reseller's duties, obligations and responsibilities in connection with the transferred capacity.

4.2 Pursuant to Section 23.2 of the Tariff, as of the Effective Date of this Transfer Agreement, the Transmission Provider relieves, releases, and forever discharges Reseller from any liability for the performance of any duties, obligations, or responsibilities under Service Agreement Nos. 315, 317, 326 and 327 with respect to the 250 MWs of transmission service, in aggregate, being transferred hereunder. Instead, the Assignee shall be solely liable for the performance of all duties, obligations and responsibilities of the Transmission Customer under Service Agreement Nos. 315, 317, 326 and 327. With respect to the provision-of-financial-security obligation Reseller fulfilled as the Transmission Customer

under Service Agreement No. 326 before the effective date of this Transfer Agreement, Assignee shall satisfy such obligation before this Transfer Agreement may become effective. Assignee's satisfaction of such obligation is a condition precedent to this Transfer Agreement, without which this Transfer Agreement will not become effective.

5.0 Transmission Provider and Reseller agree that, in recognition of Reseller's permanent assignment of 250 MWs, in aggregate, to the Assignee of Reseller's rights, obligations, and liabilities under Service Agreement Nos. 315, 317, 326 and 327, that Reseller's status as Transmission Customer under Service Agreement Nos. 315, 317, 326 and 327 shall be terminated, and Reseller's rights, obligations, and liabilities thereunder extinguished, as of the Effective Date of this Transfer Agreement. As of the Effective Date of this Transfer Agreement, Assignee shall be solely responsible for all obligations and liabilities of the Reseller under Service Agreement Nos. 315, 317, 326 and 327. Upon the Effective Date of this Transfer Agreement, the Assignee is considered the Transmission Customer under Service Agreement Nos. 315, 317, 326 and 327. For greater certainty, as of the Effective Date of this Transfer Agreement, Transmission Provider relieves, releases and forever discharges Reseller from all its obligations and liabilities with respect to Service Agreement Nos. 315, 317, 326 and 327. Transmission Provider shall directly bill Assignee for all amounts due from the Transmission Customer to Transmission Provider, and Assignee shall directly pay Transmission Provider for all invoiced amounts.

6.0 Any notice or request made to or by the Transmission Provider or Assignee regarding this Transfer Agreement and the underlying service agreements shall be made to the representative of the other Party as indicated below.

Transmission Provider:

El Paso Electric Company
Attn: OASIS Admin LOC 751
P.O. Box 982
El Paso, TX 79960
TSR_requests@epelectric.com

Assignee:

Tucson Electric Power Company
88 East Broadway Blvd.
Mail Stop HQE302
Tucson, Arizona 85701
Attention: Manager, Wholesale Marketing

7.0 The Tariff and the contents of Service Agreement Nos. 315, 317, 326 and 327 are incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Transfer Agreement to be executed by their respective authorized officials.

Transmission Provider:

EL PASO ELECTRIC COMPANY

By: _____
Name: ADRIAN J. RODRIGUEZ
Title: INTERIM CEO

APPROVED AS TO FORM
OFFICE OF THE GENERAL COUNSEL

Assignee/Transmission Customer:

TUCSON ELECTRIC POWER COMPANY

By: _____
Name: _____
Title: _____

Reseller:

EDF RENEWABLES DEVELOPMENT, INC.

By: _____
Name: Tristan Grimbert
Title: President & CEO

IN WITNESS WHEREOF, the Parties have caused this Transfer Agreement to be executed by their respective authorized officials.

Transmission Provider:

EL PASO ELECTRIC COMPANY

By: _____
Name: _____
Title: _____

Assignee/Transmission Customer:

TUCSON ELECTRIC POWER COMPANY

By: _____
Name: Erik Bakken
Title: VP System Operations

Reseller:

EDF RENEWABLES DEVELOPMENT, INC.

By: _____
Name: Tristan Grimbert
Title: President & CEO

IN WITNESS WHEREOF, the Parties have caused this Transfer Agreement to be executed by their respective authorized officials.

Transmission Provider:

EL PASO ELECTRIC COMPANY

By: _____
Name:_____
Title:_____

Assignee/Transmission Customer:

TUCSON ELECTRIC POWER COMPANY

By: _____
Name:_____
Title:_____

Reseller:

EDF [redacted]LOPMENT, INC.



By: _ _____
Nam
Title: President & CEO

Specifications for the Transfer of Firm and Conditional Firm Point-To-Point Transmission Service

[Attach a fully executed copy of each of the four underlying service agreements]

Form Of Service Agreement For
Firm Point-To-Point Transmission
Service

1.0 This Service Agreement, dated as of December 4, 2018, is entered into, by and between El Paso Electric Company (the Transmission Provider), and EDF Renewable Development, Inc. ("Transmission Customer").

2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Firm Point-To-Point Transmission Service under the Tariff.

3.0 The Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Section 17.3 of the Tariff.

4.0 Service under this agreement shall commence on the later of (l) the requested service commencement date, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on such date as mutually agreed upon by the parties (as shown in the Specifications, 1.0).

5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.

6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

El Paso Electric Company
Attn: OASIS Admin
LOC 751
P.O. Box 982
El Paso, TX 79960
TSR_requests@epelectric.com

Transmission Customer:

Omar A Martino

Director, Transmission

1600 Stout Street #1510

Denver, CO 80210

Omar.Martino@edf-re.com

7.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: _____ _____ _____

Name Title Date

Transmission Customer:

By: _____ _____ _____

Name Title Date

Specifications For Long-Term Firm Point-To-Point Transmission Service

1.0 Term of Transaction: Five (5) Years

Start Date: January 1, 2021 Hour 00:00 MS OASIS TSR Ref #86789749

Termination Date: January 1, 2026 Hour 00:00 MS

2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.

Wind generation from the Oso Grande Wind Generating Project in Chaves County, New Mexico. The electric Control Area/Balancing Authority Area in which the transaction originates (where the generation is to be located) is Tucson Electric Power Company. Transmission Customer understands that Transmission Provider has determined that the transmission service to be provided under this Agreement is generation dependent. Specifically, the capability of the EPE transmission system to provide service under this Agreement is dependent on the presence of Transmission Customer's Oso Grande Wind Generating Project at the Point of Receipt and is only available for the delivery of electricity generated at the Oso Grande Wind Generating Project. The Transmission Customer will be billed for its Reserved Capacity at the Schedule 7 demand charges identified in Section 8.0 below, beginning on the Start Date identified in Section 1.0 above, without regard to the status of the Oso Grande Wind Generating Project.

3.0 Point(s) of Receipt: A new 345 kV Substation to be constructed on EPE's Amrad-to-Artesia 345 kV transmission line located in Eddy County, New Mexico under a Large Generating Facility Interconnection Request identified as EC500W.

Delivering Party: Transmission Customer

4.0 Point(s) of Delivery: Springerville 345 kV Substation

Receiving Party: Tucson Electric Power Company

5.0 Maximum amount of capacity and energy to be transmitted (Reserved Capacity): 185 MW

6.0 Designation of party(ies) subject to reciprocal service obligation: None

7.0 Name(s) of any Intervening Systems providing transmission service: None

8.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

8.1 Transmission Charge: Long Term Firm Point-to-Point Transmission Charges shown in the Tariff, Schedule 7 (and other charges associated with this transmission service as applicable under the Tariff) as those charges may change from time to time during the term of this Agreement. The Schedule 7 charges are shown in Section A of the Transmission Provider's Tariff Schedule 7, for yearly delivery.

8.2 System Impact and/or Facilities Study Charge(s):
None

8.3 Direct Assignment Facilities Charge: None

8.4 Ancillary Services Charges: Schedules 1 and 2, as those charges may change from time to time during the term of this Agreement. Other ancillary service schedule charges, if applicable and requested by Transmission Customer and agreed to by Transmission Provider, are to be assessed under this Agreement, as those charges may change from time to time during the term of this Agreement; provided, however, that Transmission Provider is not obligated to provide the following Ancillary Services, because neither the generating resource nor the load being served is in the Transmission Provider's Balancing Authority Area: Schedules 3, 4, 5, 6 and 9.

Tariff Submitter:	El Paso Electric Company
FERC Tariff Program Name:	FERC FPA Electric Tariff
Tariff Title:	Open Access Transmission Tariff
Tariff Record Proposed Effective Date:	January 9, 2020
Tariff Record Title:	OATT, Nonconforming Service Agreements, Service Agreement No. 330, Assignment of ST Firm PTP TSA from EDF to TEP, 0.0.0
Option Code:	A
The Entity Receiving Service Under the Agreement:	Tucson Electric Power Company
Brief Description of the Service Agreement:	Assignment of ST Firm PTP TSA

Service Agreement for
the Transfer of Firm and Conditional Firm
Point-To-Point Transmission Service

1.0 This Service Agreement, dated as of January 9, 2020, is entered into, by and between El Paso Electric Company ("Transmission Provider"), Tucson Electric Power Company ("Assignee" or "Transmission Customer"), and EDF Renewables Development, Inc. (f/k/a EDF Renewable Development, Inc.) ("Reseller") ("Transfer Agreement"). Transmission Provider, Assignee or Transmission Customer, and Reseller are collectively referred to as the "Parties" hereunder. This Transfer Agreement shall become effective upon the effective date imposed by the Federal Energy Regulatory Commission in an order accepting the Transfer Agreement, without change ("Effective Date"); provided, however, that a condition precedent to this Transfer Agreement is the effectiveness of the service agreements to be transferred. In no event will this Transfer Agreement become effective as to a service agreement providing transmission service rights, if the underlying agreement providing for such transmission service rights does not become effective.

2.0 The Assignee has been determined by the Transmission Provider to be an Eligible Customer under the Transmission Provider's Open Access Transmission Tariff (the "Tariff") pursuant to which the transmission service rights to be transferred were originally obtained.

3.0 The Assignee has satisfied the creditworthiness requirements of Section 11 of the Tariff.

4.0 The terms and conditions for the transaction entered into under this Transfer Agreement shall be subject to the terms and conditions of Part II of the Transmission Provider's Tariff, except as specifically provided otherwise in the underlying service agreements and except as specifically provided for in Sections 4.2 and 5 of this Transfer Agreement, below. Changes by the Assignee to the Reseller's Points of Receipt and Points of Delivery will be subject to the provisions of Section 23.2 of the Tariff.

4.1 As permitted under Section 23.1 of the Tariff, as of the Effective Date of this Transfer Agreement, Reseller hereby transfers and conveys to Assignee its rights, and interest in and to 250 MWs of the transmission service, in aggregate, reserved under Service Agreement Nos. 315, 317, 326 and 327, and all of Reseller's duties, obligations and responsibilities in connection with the transferred capacity.

4.2 Pursuant to Section 23.2 of the Tariff, as of the Effective Date of this Transfer Agreement, the Transmission Provider relieves, releases, and forever discharges Reseller from any liability for the performance of any duties, obligations, or responsibilities under Service Agreement Nos. 315, 317, 326 and 327 with respect to the 250 MWs of transmission service, in aggregate, being transferred hereunder. Instead, the Assignee shall be solely liable for the performance of all duties, obligations and responsibilities of the Transmission Customer under Service Agreement Nos. 315, 317, 326 and 327. With respect to the provision-of-financial-security obligation Reseller fulfilled as the Transmission Customer

under Service Agreement No. 326 before the effective date of this Transfer Agreement, Assignee shall satisfy such obligation before this Transfer Agreement may become effective. Assignee's satisfaction of such obligation is a condition precedent to this Transfer Agreement, without which this Transfer Agreement will not become effective.

5.0 Transmission Provider and Reseller agree that, in recognition of Reseller's permanent assignment of 250 MWs, in aggregate, to the Assignee of Reseller's rights, obligations, and liabilities under Service Agreement Nos. 315, 317, 326 and 327, that Reseller's status as Transmission Customer under Service Agreement Nos. 315, 317, 326 and 327 shall be terminated, and Reseller's rights, obligations, and liabilities thereunder extinguished, as of the Effective Date of this Transfer Agreement. As of the Effective Date of this Transfer Agreement, Assignee shall be solely responsible for all obligations and liabilities of the Reseller under Service Agreement Nos. 315, 317, 326 and 327. Upon the Effective Date of this Transfer Agreement, the Assignee is considered the Transmission Customer under Service Agreement Nos. 315, 317, 326 and 327. For greater certainty, as of the Effective Date of this Transfer Agreement, Transmission Provider relieves, releases and forever discharges Reseller from all its obligations and liabilities with respect to Service Agreement Nos. 315, 317, 326 and 327. Transmission Provider shall directly bill Assignee for all amounts due from the Transmission Customer to Transmission Provider, and Assignee shall directly pay Transmission Provider for all invoiced amounts.

6.0 Any notice or request made to or by the Transmission Provider or Assignee regarding this Transfer Agreement and the underlying service agreements shall be made to the representative of the other Party as indicated below.

Transmission Provider:

El Paso Electric Company
Attn: OASIS Admin LOC 751
P.O. Box 982
El Paso, TX 79960
TSR_requests@epelectric.com

Assignee:

Tucson Electric Power Company
88 East Broadway Blvd.
Mail Stop HQE302
Tucson, Arizona 85701
Attention: Manager, Wholesale Marketing

7.0 The Tariff and the contents of Service Agreement Nos. 315, 317, 326 and 327 are incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Transfer Agreement to be executed by their respective authorized officials.

Transmission Provider:

EL PASO ELECTRIC COMPANY

By: _____
Name: ADRIAN J. RODRIGUEZ
Title: INTERIM CEO

APPROVED AS TO FORM
OFFICE OF THE GENERAL COUNSEL

Assignee/Transmission Customer:

TUCSON ELECTRIC POWER COMPANY

By: _____
Name: _____
Title: _____

Reseller:

EDF RENEWABLES DEVELOPMENT, INC.

By: _____
Name: Tristan Grimbert
Title: President & CEO

IN WITNESS WHEREOF, the Parties have caused this Transfer Agreement to be executed by their respective authorized officials.

Transmission Provider:

EL PASO ELECTRIC COMPANY

By: _____
Name: _____
Title: _____

Assignee/Transmission Customer:

TUCSON ELECTRIC POWER COMPANY

By: _____
Name: Erik Bakken
Title: VP System Operations

Reseller:

EDF RENEWABLES DEVELOPMENT, INC.

By: _____
Name: Tristan Grimbert
Title: President & CEO

IN WITNESS WHEREOF, the Parties have caused this Transfer Agreement to be executed by their respective authorized officials.

Transmission Provider:

EL PASO ELECTRIC COMPANY

By: _____
Name:_____
Title:_____

Assignee/Transmission Customer:

TUCSON ELECTRIC POWER COMPANY

By: _____
Name:_____
Title:_____

Reseller:

EDF [redacted]LOPMENT, INC.



By: _ _____
Nam
Title: President & CEO

Specifications for the Transfer of Firm and Conditional Firm Point-To-Point Transmission Service

[Attach a fully executed copy of each of the four underlying service agreements]

Form Of Service Agreement For Firm Point-To-Point Transmission Service

1.0 This Service Agreement, dated as of April ___, 2019, is entered into, by and between El Paso Electric Company (the Transmission Provider), and EDF Renewables Development, Inc. (f/k/a EDF Renewable Development, Inc.) ("Transmission Customer").

2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Firm Point-To-Point Transmission Service under the Tariff.

3.0 The Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Section 17.3 of the Tariff.

4.0 Service under this agreement shall commence on the later of (l) the requested service commencement date, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on such date as mutually agreed upon by the parties (as shown in the Specifications, 1.0).

5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.

6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

El Paso Electric Company
Attn: OASIS Admin
LOC 751
P.O. Box 982
El Paso, TX 79960
TSR_requests@epelectric.com

Transmission Customer:

EDF Renewables Development, Inc.
Attn: Justin Radl
10 2nd St NE Ste 400
Minneapolis, MN 55413-2652
justin.radl@edf-re.com

7.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: _____

Name Title Date

Transmission Customer:

By: _____

Name Title Date

Specifications For Long-Term Firm Point-To-Point Transmission Service

1.0 Term of Transaction: Four (4) Months

Start Date: September 1, 2020 Hour 00:00 MST OASIS TSR Ref # 88760595

Termination Date: January 1, 2021 Hour 00:00 MST

2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.

Wind generation from the Oso Grande Wind Generating Project in Chaves County, New Mexico. The electric Control Area/Balancing Authority Area in which the transaction originates (where the generation is to be located) is Tucson Electric Power Company. Transmission Customer understands that Transmission Provider has determined that the transmission service to be provided under this Agreement is generation dependent. Specifically, the capability of the EPE transmission system to provide service under this Agreement is dependent on the presence of Transmission Customer's Oso Grande Wind Generating Project at the Point of Receipt and is only available for the delivery of electricity generated at the Oso Grande Wind Generating Project. The Transmission Customer will be billed for its Reserved Capacity at the Schedule 7 demand charges identified in Section 8.0 below, beginning on the Start Date identified in Section 1.0 above, without regard to the status of the Oso Grande Wind Generating Project.

3.0 Point(s) of Receipt: The Empire Substation, a new 345 kV substation to be constructed on EPE's Amrad-to-Artesia 345 kV transmission line located in Eddy County, New Mexico under a Large Generating Facility Interconnection Request identified as EC500W.

Delivering Party: Transmission Customer

4.0 Point(s) of Delivery: Springerville 345 kV Substation

Receiving Party: Tucson Electric Power Company

5.0 Maximum amount of capacity and energy to be transmitted (Reserved Capacity): 185 MW

6.0 Designation of party(ies) subject to reciprocal service obligation: None

7.0 Name(s) of any Intervening Systems providing transmission service: None

8.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

8.1 Transmission Charge: Firm Point-to-Point Transmission Charges shown in the Tariff, Schedule 7 (and other charges associated with this transmission service as applicable under the Tariff) as those charges may change from time to time during the term of this Agreement. The Schedule 7 charges are shown in Section A of the Transmission Provider's Tariff Schedule 7, for monthly delivery.

8.2 System Impact and/or Facilities Study Charge(s):
None

8.3 Direct Assignment Facilities Charge: None

8.4 Ancillary Services Charges: Schedules 1 and 2, as those charges may change from time to time during the term of this Agreement. Other ancillary service schedule charges, if applicable and requested by Transmission Customer and agreed to by Transmission Provider, are to be assessed under this Agreement, as those charges may change from time to time during the term of this Agreement; provided, however, that Transmission Provider is not obligated to provide the following Ancillary Services, because neither the generating resource nor the load being served is in the Transmission Provider's Balancing Authority Area: Schedules 3, 4, 5, 6 and 9.

Tariff Submitter:	El Paso Electric Company
FERC Tariff Program Name:	FERC FPA Electric Tariff
Tariff Title:	Open Access Transmission Tariff
Tariff Record Proposed Effective Date:	January 9, 2020
Tariff Record Title:	OATT, Nonconforming Service Agreements, Service Agreement No. 331, Assignment of LT Conditional Firm PTP TSA from EDF to TEP, 0.0.0
Option Code:	A
The Entity Receiving Service Under the Agreement:	Tucson Electric Power Company
Brief Description of the Service Agreement:	Assignment of LT Conditional Firm PTP TSA

Service Agreement for
the Transfer of Firm and Conditional Firm
Point-To-Point Transmission Service

1.0 This Service Agreement, dated as of January 9, 2020, is entered into, by and between El Paso Electric Company ("Transmission Provider"), Tucson Electric Power Company ("Assignee" or "Transmission Customer"), and EDF Renewables Development, Inc. (f/k/a EDF Renewable Development, Inc.) ("Reseller") ("Transfer Agreement"). Transmission Provider, Assignee or Transmission Customer, and Reseller are collectively referred to as the "Parties" hereunder. This Transfer Agreement shall become effective upon the effective date imposed by the Federal Energy Regulatory Commission in an order accepting the Transfer Agreement, without change ("Effective Date"); provided, however, that a condition precedent to this Transfer Agreement is the effectiveness of the service agreements to be transferred. In no event will this Transfer Agreement become effective as to a service agreement providing transmission service rights, if the underlying agreement providing for such transmission service rights does not become effective.

2.0 The Assignee has been determined by the Transmission Provider to be an Eligible Customer under the Transmission Provider's Open Access Transmission Tariff (the "Tariff") pursuant to which the transmission service rights to be transferred were originally obtained.

3.0 The Assignee has satisfied the creditworthiness requirements of Section 11 of the Tariff.

4.0 The terms and conditions for the transaction entered into under this Transfer Agreement shall be subject to the terms and conditions of Part II of the Transmission Provider's Tariff, except as specifically provided otherwise in the underlying service agreements and except as specifically provided for in Sections 4.2 and 5 of this Transfer Agreement, below. Changes by the Assignee to the Reseller's Points of Receipt and Points of Delivery will be subject to the provisions of Section 23.2 of the Tariff.

4.1 As permitted under Section 23.1 of the Tariff, as of the Effective Date of this Transfer Agreement, Reseller hereby transfers and conveys to Assignee its rights, and interest in and to 250 MWs of the transmission service, in aggregate, reserved under Service Agreement Nos. 315, 317, 326 and 327, and all of Reseller's duties, obligations and responsibilities in connection with the transferred capacity.

4.2 Pursuant to Section 23.2 of the Tariff, as of the Effective Date of this Transfer Agreement, the Transmission Provider relieves, releases, and forever discharges Reseller from any liability for the performance of any duties, obligations, or responsibilities under Service Agreement Nos. 315, 317, 326 and 327 with respect to the 250 MWs of transmission service, in aggregate, being transferred hereunder. Instead, the Assignee shall be solely liable for the performance of all duties, obligations and responsibilities of the Transmission Customer under Service Agreement Nos. 315, 317, 326 and 327. With respect to the provision-of-financial-security obligation Reseller fulfilled as the Transmission Customer

under Service Agreement No. 326 before the effective date of this Transfer Agreement, Assignee shall satisfy such obligation before this Transfer Agreement may become effective. Assignee's satisfaction of such obligation is a condition precedent to this Transfer Agreement, without which this Transfer Agreement will not become effective.

5.0 Transmission Provider and Reseller agree that, in recognition of Reseller's permanent assignment of 250 MWs, in aggregate, to the Assignee of Reseller's rights, obligations, and liabilities under Service Agreement Nos. 315, 317, 326 and 327, that Reseller's status as Transmission Customer under Service Agreement Nos. 315, 317, 326 and 327 shall be terminated, and Reseller's rights, obligations, and liabilities thereunder extinguished, as of the Effective Date of this Transfer Agreement. As of the Effective Date of this Transfer Agreement, Assignee shall be solely responsible for all obligations and liabilities of the Reseller under Service Agreement Nos. 315, 317, 326 and 327. Upon the Effective Date of this Transfer Agreement, the Assignee is considered the Transmission Customer under Service Agreement Nos. 315, 317, 326 and 327. For greater certainty, as of the Effective Date of this Transfer Agreement, Transmission Provider relieves, releases and forever discharges Reseller from all its obligations and liabilities with respect to Service Agreement Nos. 315, 317, 326 and 327. Transmission Provider shall directly bill Assignee for all amounts due from the Transmission Customer to Transmission Provider, and Assignee shall directly pay Transmission Provider for all invoiced amounts.

6.0 Any notice or request made to or by the Transmission Provider or Assignee regarding this Transfer Agreement and the underlying service agreements shall be made to the representative of the other Party as indicated below.

Transmission Provider:

El Paso Electric Company
Attn: OASIS Admin LOC 751
P.O. Box 982
El Paso, TX 79960
TSR_requests@epelectric.com

Assignee:

Tucson Electric Power Company
88 East Broadway Blvd.
Mail Stop HQE302
Tucson, Arizona 85701
Attention: Manager, Wholesale Marketing

7.0 The Tariff and the contents of Service Agreement Nos. 315, 317, 326 and 327 are incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Transfer Agreement to be executed by their respective authorized officials.

Transmission Provider:

EL PASO ELECTRIC COMPANY

By: _____
Name: ADRIAN J. RODRIGUEZ
Title: INTERIM CEO

APPROVED AS TO FORM
OFFICE OF THE GENERAL COUNSEL

Assignee/Transmission Customer:

TUCSON ELECTRIC POWER COMPANY

By: _____
Name: _____
Title: _____

Reseller:

EDF RENEWABLES DEVELOPMENT, INC.

By: _____
Name: Tristan Grimbert
Title: President & CEO

IN WITNESS WHEREOF, the Parties have caused this Transfer Agreement to be executed by their respective authorized officials.

Transmission Provider:

EL PASO ELECTRIC COMPANY

By: _____
Name: _____
Title: _____

Assignee/Transmission Customer:

TUCSON ELECTRIC POWER COMPANY

By: _____
Name: Erik Bakken
Title: VP System Operations

Reseller:

EDF RENEWABLES DEVELOPMENT, INC.

By: _____
Name: Tristan Grimbert
Title: President & CEO

IN WITNESS WHEREOF, the Parties have caused this Transfer Agreement to be executed by their respective authorized officials.

Transmission Provider:

EL PASO ELECTRIC COMPANY

By: _____
Name:_____
Title:_____

Assignee/Transmission Customer:

TUCSON ELECTRIC POWER COMPANY

By: _____
Name:_____
Title:_____

Reseller:

EDF [redacted]LOPMENT, INC.



By: _ _____
Nam
Title: President & CEO

Specifications for the Transfer of Firm and Conditional Firm Point-To-Point Transmission Service

[Attach a fully executed copy of each of the four underlying service agreements]

Service Agreement
For Conditional Firm Point-To-Point Transmission Service

1.0 This Service Agreement ("Service Agreement" or "Agreement"), dated as of December 6th, 2019, is entered into, by and between El Paso Electric Company ("Transmission Provider"), and EDF Renewables Development, Inc. ("Transmission Customer").

2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Firm Point-To-Point Transmission Service under the Transmission Provider's Open Access Transmission Tariff "Tariff").

3.0 The Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Article 17.3 of the Tariff.

4.0 Service under this agreement shall commence on the later of (l) the requested service commencement date, subject to the conditions and restrictions identified in the Agreement pursuant to which service may begin after some, but not all, Direct Assignment Facilities and/or Network Upgrades are completed, or (2) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on the date mutually agreed upon by the parties and shown in the Specifications, Section 1.0.

5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Conditional Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement. Important provisions associated with the service to be provided, and the conditions under which it is to be provided are contained in the Specifications and Appendices. At the time this Service Agreement is being entered into, there is uncertainty regarding the facilities that will be required to provide the requested service beginning on the Start Date. The following factors are among the factors contributing to the uncertainty:

a. Changes in certain senior-queued requests may result in significant changes to the facilities identified in the study work completed to date with respect to Transmission Customer's requested transmission service;[1] and

b. The requested transmission service calls for construction and installations on

[1] Changes to senior queued generator interconnection requests identified as AC120SB and EC500W may result in changes to the facilities identified as necessary for service under the instant Agreement, giving rise to the potential increase or decrease in the facilities necessary for service under the instant Agreement.

facilities co-owned by entities other than Transmission Provider, and currently-effective Commission-approved rate schedules require processes to unfold between Transmission Provider and the facility co-owners with respect to the rights and obligations associated with the new facilities as between the Transmission Provider and co-owners.

Transmission Customer understands these factors are contributing to uncertainty with respect to the facilities that will ultimately be determined to be required for its requested service. In entering into this Service Agreement, Transmission Customer agrees to compensate the Transmission Provider for all costs incurred pursuant to the provisions of the Tariff.

6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

El Paso Electric Company
Attn: OASIS Admin LOC 751
P.O. Box 982
El Paso, TX 79960
TSR_requests@epelectric.com

Transmission Customer:

Justin Radl
Sr. Manager, Transmission & Market Analytics
EDF Renewables
10 2nd St., NE, Suite 400
Minneapolis, MN 55413
Justin.Radl@edf-re.com

7.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: _____ Name ADRIAN J. RODRIGUEZ | INTERIM CHIEF EXECUTIVE OFFICER | 12-9-2019

Title | Date

Transmission Customer:



By:	Ryan Pfaff	EVP, Grid-Scale Power	12/6/2019
	Name	Title	Date

Specifications for Conditional Firm Point-To-Point Transmission Service

1.0 ***Term of Transaction***: Five (5) Years

Start Date: January 1, 2021 Hour 00:00 MS OASIS TSR Ref #87952110

Termination Date: January 1, 2026 Hour 00:00 MS

2.0 ***Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates***.

Wind generation from the Oso Grande Wind Generating Project in Chaves County, New Mexico. The electric Control Area/Balancing Authority Area in which the transaction originates (where the generation is to be located) is Tucson Electric Power Company. Transmission Customer understands that Transmission Provider has determined that the transmission service to be provided under this Agreement is generation dependent. Specifically, the capability of the Transmission Provider's transmission system to provide service under this Agreement is dependent on the presence of Transmission Customer's Oso Grande Wind Generating Project at the Point of Receipt and is only available for the delivery of electricity generated at the Oso Grande Wind Generating Project. The Transmission Customer will be billed for its Reserved Capacity beginning on the Start Date identified in Section 1.0 above, without regard to the status of the Oso Grande Wind Generating Project. There are other conditions associated with service to the Transmission Customer under this Agreement. See Section 10.0, below, and Appendix B.

3.0 ***Point(s) of Receipt:*** The Empire 345 kV Substation in Eddy County, New Mexico, which is to be constructed under a Large Generating Facility Interconnection Request identified as EC500W. EC500W is a 247.4 MW wind generating facility seeking Energy Resource Interconnection Service from Transmission Provider. The Empire 345 kV Substation is to tie into Transmission Provider's Amrad-to-Eddy 345 kV
transmission line.

Delivering Party: Transmission Customer

4.0 ***Point(s) of Delivery***: Springerville 345 kV Substation

Receiving Party: Tucson Electric Power Company

5.0 ***Maximum amount of capacity and energy to be transmitted (Reserved Capacity)***: 65 MW

6.0 ***Designation of party(ies) subject to reciprocal service obligation***: None

7.0 ***Name(s) of any Intervening Systems providing transmission service***: None. This Agreement requires construction on facilities co-owned by Transmission Provider and a third-party, and assumes that the facilities are to be solely owned by Transmission Provider, such that transmission service on co-owned facilities by the third-party owner of such facilities will not be required of Transmission Customer. See Section 10.

8.0 ***Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)***

8.1 ***Transmission Charge***:

The "higher of" (a) the Tariff's Schedule 7 yearly delivery charge for Reserved Capacity for Long-Term Firm Point-to-Point Transmission Service, and (b) an incremental rate calculated based on the cost of facilities identified as required for service under this Agreement, consistent with the Commission's "higher of" policy. The Schedule 7 yearly delivery charge for Reserved Capacity is currently shown in Section A of the Transmission Provider's Tariff Schedule 7. Other charges are associated with transmission service under this Agreement, as applicable under the Tariff, including, for example, ancillary service charges.

If Transmission Provider's "higher of" evaluation identifies an incremental rate as the higher of rate, Transmission Provider shall make a filing with the Commission, in advance of the Start Date, to place on file the "higher of" rate.[2] Transmission Provider will provide Transmission Customer an opportunity to review the proposed transmission rate a minimum of 7 days prior to filing the rate with the Commission. Transmission Customer reserves its right to intervene and protest Transmission Provider's "higher of" rate filing.

8.2 System Impact and/or Facilities Study Charge(s):

Not Applicable. Transmission Provider separately invoices Transmission Customer for study costs, and Transmission Customer pays such invoices.

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[2] Transmission Provider will perform the "higher of" evaluation at a time when there is greater certainty with respect to the facilities and equipment necessary for service under this Agreement.

8.3 ***Direct Assignment Facilities Charge***:

Not Applicable. If the "higher of" rate addressed in Section 8.1, above, is an incremental rate, then the cost of facilities required for service under this Agreement will be directly assigned to Transmission Customer for the purpose of developing the incremental rate. This does not mean that the Network Upgrades identified as necessary to provide service are ineligible for reimbursement through crediting on invoices tendered for service under this Agreement.

8.4 ***Ancillary Services Charges***:

Schedules 1 and 2, as those charges may change from time to time during the term of this Agreement. Other ancillary service schedule charges, if applicable and requested by Transmission Customer and agreed to by Transmission Provider, are to be assessed under this Agreement, as those charges may change from time to time during the term of this Agreement; provided, however, that Transmission Provider is not obligated to provide the following Ancillary Services, because neither the generating resource nor the load being served is in the Transmission Provider's Balancing Authority Area: Schedules 3, 4, 5, 6 and 9.

9.0 ***Facilities***: The study work performed to date has identified the facilities shown in Appendix A as necessary to provide the requested service to the Transmission Customer. Transmission Provider makes no commitment to Transmission Customer in this Agreement that the activities to be performed under this Agreement will permit service by the requested Start Date of January 1, 2021. Transmission Provider shall not be liable for any cost or damage incurred by Transmission Customer because of any delay in the work provided for in this Agreement; provided, however, that for its part Transmission Provider will use reasonable efforts to avoid unnecessary delay.

10.0 ***Conditions***: Availability of service under this Agreement is conditional, based upon the following:

a. At the time of execution of this Agreement, the Point of Receipt for the requested service does not exist. It is among the facilities to be constructed under interconnection project EC500W, a senior-queued request for interconnection service. The Transmission Customer is the Interconnection Customer under that senior-queued request. Transmission service under this Agreement is dependent upon the completion and in-service of the Empire 345 kV Substation. The Empire 345 kV Substation is the Point of Interconnection substation under the

senior interconnection request, and will serve as the Point of Receipt under the instant Agreement for transmission service.

b. The requested service requires new construction and installations on facilities co-owned by an entity other than Transmission Provider, and currently-effective Commission-approved rate schedules require that Transmission Provider and the co-owner reach agreement with respect to the rights and obligations associated with the new facilities, as between the Transmission Provider and co-owner. Transmission service under this Agreement is dependent upon successful resolution between Transmission Provider and its facility co-owner, under which Transmission Provider will solely own and operate the newly constructed and installed facilities required for the requested transmission service. Transmission Provider agrees to use commercially reasonable efforts in resolving possible issues with its facility co-owner in a manner that would allow Transmission Provider to provide service under this Agreement. The Transmission Provider will move forward with engineering, design and construction activities, as permissible, while resolving matters with its facility co-owner. The Transmission Provider shall notify the Transmission Customer in writing of the basis for any decision that construction on co-owned facilities must be deferred and the specific problems which must be resolved before it can be initiated or resumed. If the lack of resolution between Transmission Provider and its facility co-owner prevents the Transmission Provider from being able to commence service under this Agreement on the Start Date, then Transmission Provider will not begin assessing transmission charges under this Agreement on the Start Date. Co-owner resolution is a prerequisite for this Agreement's becoming effective.

c. The Point of Delivery for the requested service is Springerville 345 kV Substation, an existing Point of Delivery under Transmission Provider's Tariff. The study work performed has shown that a phase-shifting transformer ("PST") would be necessary to force flows to the Transmission Customer's desired Point of Delivery. As described in Appendix B, Transmission Provider and Transmission Customer, in coordination with Tucson Electric Power Company, have agreed on an alternative resolution that obviates the need for a PST to force the flow of power to Springerville. This Agreement is conditioned upon the resolution of that matter, as described in Appendix B.

d. The Transmission Provider has identified a number of facilities that are necessary to provide the requested service to Transmission Customer. The study work performed to date has identified the facilities shown in

Appendix A. After the completion and in-service date of the Empire 345 kV Substation addressed in (a) above, and assuming successful resolutions of the co-ownership issue addressed in (b) above and the PST issue addressed in (c) above, transmission service under the instant Agreement would be available upon completion of the facilities identified in Appendix A. However, there may be conditions under which Transmission Customer may receive partial transmission service under this Agreement for the period before all facilities necessary for the service are completed and in service. For this period before the Appendix A facilities are completed and in-service, and subject to the conditions identified in (a), (b) and (c), above, service under this Agreement may be available[3] under the following circumstances:

(i) When there is no flow under the Transmission Customer's senior 185 MW Service Agreement for Firm Point-to-Point Transmission Service, EPE Service Agreement No. 315 ("185 MW TSA"), or when 120 MW or less of service is being used under the 185 MW TSA, then service would be available under this Agreement.[4]

(ii) When generator interconnection queue project identified as AC120SB, a third-party generator, is generating power, a total of 185 MW can flow from the Transmission Customer's Point of Receipt to the Point of Delivery under a combination of the 185 MW TSA and this 65 MW Service Agreement. Transmission Provider is to implement a means by which Transmission Customer may schedule service under this 65 MW Service Agreement during overnight hours,[5] with those overnight hours to be identified by Transmission Provider and communicated to Transmission Customer in advance of the Start Date of this Agreement.[6]

(iii) When the senior 185 MW TSA is utilized, and when AC120SB is not generating power, and Public Service Company of New

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[3] Under normal system conditions.

[4] This condition (i) is no longer applicable once the Appendix A facilities are completed and operational.

[5] AC120SB is a solar resource with battery storage. Even though the facility includes battery storage, it is not expected to produce output during all hours of the day. Transmission Provider will communicate to Transmission Customer, in advance of the Start Date of this 65 MW Service Agreement, the overnight hours during which service can be scheduled through OASIS.

[6] This condition (ii) is no longer applicable once the Appendix A facilities are completed and operational.

Mexico is not importing power from the Eddy County DC terminal, then service under this 65 MW Service Agreement would be available with some,[7] but not all, of the facilities identified in Appendix A of this Agreement.

11.0 ***Request to Change Receipt or Delivery Point***: Transmission Customer requests for a change in point(s) shall be addressed in the manner set forth in Transmission Provider's Tariff. See Article 22.

12.0 ***Warranty***: Each Party warrants that all work it performs hereunder shall be consistent with Good Utility Practice. The care, custody, and control of, and the risk of loss or damage to work pursuant to this Agreement shall be with the specific Party performing the work during the term of this Agreement. Under no circumstances during the term of this Agreement shall the one Party be responsible for loss or damage to the work of the other Party.

13.0 ***Successors and Assigns***: This Agreement shall be binding upon the Parties and their successors and assigns. Either Party may assign this Agreement subject to the same conditions set forth in Article 23 of the Transmission Provider's Tariff.

14.0 ***Dispute Resolution***. The Parties shall resolve any disputes that arise out of or in connection with this Agreement or its performance in accordance with the process provided in Article 12 of the Transmission Provider's Tariff.

15.0 ***Entire Agreement***. This Agreement sets forth the entire agreement between the Parties on the subject matter of this Agreement and supersedes all prior agreements of the Parties with respect to its subject matter. The Parties agree that neither will be deemed to be the drafter of any term that may subsequently be found to be ambiguous or vague. This Agreement shall be construed in the manner that most accurately reflects the Parties' intent as of the Agreement's execution. An amendment of, or addendum to, this Agreement is permitted through a written document signed by an authorized representative of each Party.

16.0 ***Counterparts***. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

17.0 ***Waiver***. No provision of this Agreement shall be deemed to have been waived unless such waiver is in writing signed by the waiving Party. No failure by any Party to insist upon the strict performance of any provision of this Agreement or to exercise any right or remedy consequent upon a breach thereof, shall constitute a waiver of any such breach of

[7] The Amrad-Eddy line upgrade.

such provision or of any other provision. No waiver of any provision of this Agreement shall be deemed a waiver of any other provision of this Agreement or a waiver of such provision with respect to any other subsequent breach, unless expressly provided in writing.

18.0 ***Governing Law***. Except to the extent preempted by federal law, this Agreement shall in all respects be interpreted, and enforced in accordance with the laws of the State of Texas, without reference to rules governing conflicts of laws.

19.0 ***Relationship of Parties***: No Third-Party Beneficiaries. Nothing contained in this Agreement shall be construed to create an agency relationship, association, joint venture, trust or partnership, or impose a trust or partnership covenant, obligation, or liability on or with regard to either of the Parties. Each Party shall be individually responsible for its own covenants, obligations, and liabilities under this Agreement. Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability or inference of liability to any third party.

20.0 ***Severability***. If any provision of this Agreement is held invalid or unenforceable for any reason by a court or governmental agency of competent jurisdiction, then the objectionable portions of the provision shall be stricken, and all other provisions of this Agreement shall remain unaffected and in force. The Parties shall be relieved of their obligations only to the extent necessary to eliminate the objectionable portions unless a court or governmental agency of competent jurisdiction holds that the invalidated provision is not separable from the remainder of the Agreement.

21.0 ***Recitals, Headings***. The recitals, headings, and subtitles in this Agreement are for the convenience of the Parties and are not to be used for its construction or interpretation.

22.0 ***Non-Taxable Contributions to Capital***. The Parties intend that any payments made by the Transmission Customer to Transmission Provider under the terms of this Agreement shall not be taxable as contributions in aid of construction. Transmission Provider shall not include a gross-up for income taxes in the amounts charged to the Transmission Customer under this Agreement, but the Transmission Customer agrees to protect, indemnify and hold harmless Transmission Provider for any tax, interest, or penalty assessed by any governmental authority to the extent such governmental authority determines that Transmission Provider's receipt of payments from the Transmission Customer under this Agreement constitutes income that is subject to taxation. Transmission Customer’s indemnification obligation shall terminate at the earlier of (1) the expiration of the ten year testing period and the applicable statute of limitation, as it may be extended by Transmission Provider upon request of the IRS, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations in the same manner as that contemplated for generator interconnection-related payment activities addressed in

Article 5.17 of the form of Large Generator Interconnection Agreement within the Transmission Provider's Tariff.

23.0 ***Damages***. Either Party may exercise any or all of its rights and remedies under this Agreement and under any applicable laws, rules and regulations; provided, however, that EXCEPT AS SPECIFICALLY PROVIDED IN APPENDIX B, SECTIONS I(b) AND V, UNDER NO CIRCUMSTANCES SHALL EITHER PARTY BE LIABLE FOR ANY ECONOMIC LOSSES OR DAMAGES, INCLUDING BUT NOT LIMITED TO SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, OR EXEMPLARY DAMAGES.

APPENDIX A[8]

At the time this Service Agreement is being entered into between Transmission Provider and Transmission Customer, the following facilities have been identified as required for the requested transmission service:[9]

Facilities
115 kV Switching Substation
345/115kV Autotransformer
~~Transmission Line Tie-Ins to New 115kV~~ Switching Substation and Autotransformer
~~115kV Amrad-Oro Grande-Chaparral Line~~ Improvements
Amrad to Eddy Upgrade[10]

- FINANCIAL SECURITY

On or before the execution date of this Service Agreement, Transmission Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider in an amount equal to $10 million. Transmission Provider may draw down the letter(s) of credit or other form of security in the event of non-payment by Transmission Customer of a Transmission Provider-tendered invoice within thirty (30) calendar days of the tender of such invoice.

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[8] Transmission Customer understands that the facilities identified here in this Appendix A may change. Transmission Provider may make changes to the list of facilities required for Transmission Customer's service under this Agreement. If and when it does so, it will notify the Transmission Customer. Transmission Provider's "higher of" rate evaluation will be performed in advance of the Start Date of service under this Agreement, and will be based upon Transmission Provider's then-current list of facilities. A change in the list of facilities identified in this Appendix A will be effectuated between the Parties by written notice of the Transmission Provider to the Transmission Customer and will not trigger a new filing of this Agreement with the Federal Energy Regulatory Commission, except in instances in which the change in facilities results in a different "higher of" incremental rate for service under this Agreement.

[9] This facility identification assumes all facilities necessary for a senior-queued request are completed and inservice, specifically the Empire 345 kV Substation being constructed under a senior-queued generator interconnection request, EC500W. It also assumes a satisfactory resolution of the PST issue and the co-ownership issue.

[10] LIDAR is aiding in the identification of the scope of the transmission structure installations and/or modifications along the Amrad-Eddy 345 kV transmission line necessary to provide service to Transmission Customer. In addition, Transmission Provider has undertaken a grounding study on the Amrad-Eddy 345 kV transmission line to assess the scope of re-grounding needs. Study results are informing the identification of work necessary to achieve a state in which Transmission Provider may provide the level of conditional firm service provided for in this Agreement (65 MW of conditional firm service).

- TRANSMISSION SERVICE CREDITS

Transmission Provider's Tariff at Article 27 addresses cost responsibility for new facilities as follows: "Whenever a System Impact Study performed by the Transmission Provider in connection with the provision of Firm Point-To-Point Transmission Service identifies the need for new facilities, the Transmission Customer shall be responsible for such costs to the extent consistent with Commission policy." Commission policy permits the Transmission Customer to receive transmission service credits (through invoices for service under this Agreement) for Network Upgrades determined to be required for the requested service, but not for other facilities.

- LINE OUTAGES

Transmission Customer shall be responsible for compensating Transmission Provider for costs (e.g., redispatch costs) associated with taking line outages associated with the construction, testing and in-service activities under this Agreement. Transmission Provider shall schedule the line outages at a time when redispatch costs are minimized. In advance of any such line outages, Transmission Provider will provide to Transmission Customer its method of calculating redispatch costs.

- AFFECTED SYSTEMS

The Transmission Customer has been put on notice that its request for transmission service from El Paso Electric Company ("EPE") requires construction and/or modification to certain transmission facilities that are not solely owned by EPE. PNM is a co-owner of certain transmission facilities that require upgrades and/or modifications under this Service Agreement, and pre-existing agreements between EPE and PNM govern modifications to the co-owned transmission facilities. EPE identified PNM as an Affected System with respect to the Transmission Customer's request for transmission service. EPE is to serve in the role of Transmission Provider under this Agreement, with the expectation and understanding that transmission facilities and equipment that are being procured, installed and/or constructed under this Agreement are to be owned by EPE, in full.

- SCHEDULE RISKS

The following schedule risks were identified during the interconnection study process regarding the facility upgrades required for the requested transmission service:

  - The timing and duration to acquire necessary permits/authorizations (including any necessary land rights) may have an adverse impact on the project schedule.

- Denial of line outages required for project construction could result in schedule delays. Transmission line outages are typically not taken from mid-May to late September, and are discouraged during extreme winter conditions or at times during which the system is operating under stressed conditions.[11] In some cases, line outages must be scheduled twelve (12) or more months in advance.

- General construction activities have the potential to be delayed due to inclement weather.

[11] Outages previously granted and scheduled are subject to last minute denials, sometimes without notice, due to dynamically changing system limitations and system contingencies.

APPENDIX B

Additional terms and conditions of this Service Agreement are set forth below:

I. DIFFERENCES BETWEEN CONTRACT PATH TO SPRINGERVILLE AND ACTUAL FLOW OF POWER TO GREENLEE

a. *Actual Flow of Power*

The study work performed to evaluate the Transmission Customer's request for transmission service to a Springerville 345 kV Point of Delivery revealed that a significant portion of the flow of power will go to the Greenlee 345 kV, and not the Springerville 345 kV. Tucson Electric Power Company ("Tucson") is (a) the owner of the Springerville 345 kV Substation that is serving as the Transmission Customer's Point of Delivery and the Balancing Authority at Springerville, (b) the Balancing Authority for the generating facility located at the Transmission Customer's desired Point of Receipt (*i.e.*, the Oso Grande wind generating facility), and (c) the owner and operator of the Greenlee 345 kV Substation and the Balancing Authority at Greenlee, where much of the power will actually flow. The output of the Oso Grande wind generating facility is to be the source of the power that is to be transmitted by EPE under the instant Service Agreement.

b. *Phase-Shifting Transformer*

The study work evaluating the Transmission Customer's transmission service request, identified the installation of a phase-shifting transformer ("PST") at the Macho Springs Substation as required to force flows toward Tucson's Springerville Substation and away from Tucson's Greenlee Substation.

Instead of proceeding with the installation of a PST at this time, EPE and Transmission Customer have agreed as follows:

i. Transmission Customer's schedules and tags for transmission service under this Service Agreement will show Springerville 345 kV Substation as the Point of Delivery.

ii. Transmission Customer will tender to EPE within thirty (30) days of the effective date of this Service Agreement, and no later than six (6) months prior to the Start Date of service under this Service Agreement, a signed statement from Tucson to EPE that the

inadvertent flow to Greenlee is acceptable to Tucson and that Tucson does not consider it a breach of any contractual or other arrangement or agreement between EPE and Tucson.

iii. Transmission Provider's obligations to provide transmission service to Transmission Customer under this Agreement is conditioned upon continued acceptance by Relevant Entities of the actual flow to Greenlee and the difference between scheduled deliveries to Springerville and actual deliveries to Springerville. Relevant Entities shall include EPE and Tucson, and any entity with governing authority over EPE, including, but not limited to, the Western Electricity Coordinating Council, the North American Electric Reliability Corporation and any Reliability Coordinator with responsibilities over the affected transmission system facilities and operations.

iv. EPE and/or Transmission Customer will communicate with Tucson in advance of the Start Date of this Service Agreement to confirm that Tucson has knowledge of the commencement of service to Transmission Customer under this Agreement.

v. Transmission Customer will hold EPE harmless from any adverse effects of the inadvertent flow to Greenlee (including, but not limited to, imbalances and operational issues) and for any and all damages, losses, claims, and actions caused or incurred by EPE as a result of relying on this procedure in lieu of installation of a PST to force flows to Springerville; provided, however, that Transmission Customer will not be responsible for those damages, losses, claims and actions caused by EPE's own gross negligence or willful misconduct.

II. GENERATION-DEPENDENT PORTION OF THE TRANSMISSION PATH

A portion of the transmission path from the Point of Receipt to the Point of Delivery is generation dependent, such that flow from the Oso Grande wind generating facility at the Point of Receipt is necessary in order to provide the requested transmission service to the Transmission Customer under this Agreement.

III. NEED FOR SHUNT REACTOR AT POINT OF RECEIPT; OPERATING PROCEDURES IN EFFECT UNTIL REACTOR IN SERVICE

a. Transmission Customer is also the Interconnection Customer under a large generator interconnection agreement with Transmission Provider for the Oso

Grande wind generating facility. This large generator interconnection agreement requires the installation of, among other things, a 50 MVAR 345 kV shunt reactor at the Empire 345 kV Substation (*i.e.*, the Point of Receipt under the instant Service Agreement).

b. Transmission operations, including the ability to effectively implement line switching orders, depends upon a reactor at the Empire 345 kV Substation that marks the location where the line segments connect to each other.
c. The shunt reactor will be placed on the Amrad line terminal of the Empire 345 kV Substation. A 345 kV synchronous breaker will control the switching of this shunt reactor.
d. The shunt reactor identified as necessary under the large generator interconnection agreement may not be available and in service at the Empire 345 kV Substation until after the Commercial Operation Date of the Oso Grande wind generating facility, which is the source of power for transmission under this Service Agreement.
e. During the period before the shunt reactor is in service at the Empire 345 kV Substation, Transmission Provider may permit the Oso Grande wind generating facility to generate output for tender to the Empire 345 kV Substation, subject to the Transmission Provider's right to direct the curtailment of Oso Grande wind generating facility's output as necessary, without restriction.

IV. IN GENERAL

Transmission Customer will adhere to all Transmission Provider operating instructions and operational procedures necessary during the term of this Agreement, including, but not limited to, instructions and/or procedures to maintain the integrity of the Transmission Provider's transmission system, to perform switching and tagging, system restoration, etc. The Transmission Customer will implement and maintain for its generating resource at the Point of Receipt a 24-hour Generator Operator function capable of receiving instructions from the Transmission Provider to immediately curtail generating facility output and take other action(s) if/when instructed by the Transmission Provider.

V. DYNAMIC TRANSFER OF LARGE GENERATING FACILITY OUTPUT

Transmission Customer shall cause Tucson to install telemetry to monitor the generation injection at the Point of Receipt in order to effect dynamic transfer of wind power and energy in real-time out of the Transmission Provider's Balancing Authority Area and into the Tucson Balancing Authority Area. Transmission Customer is responsible for all costs and arrangements necessary to establish and maintain suitable real-time measurement and telecommunications to transmit (in standard prevailing minimum intervals, currently 4-second intervals) generator

injections at the Point of Receipt and facility status information necessary to implement dynamic transfer. A back-up data link shall also be installed for use to eliminate any single point of failure for dynamic transfer data transmittal between Transmission Provider and Tucson, at Transmission Customer's expense. Equipment, telecommunication and other services necessary for dynamic transfer are not eligible for reimbursement by Transmission Provider to Transmission Customer.

Equipment and data transmission services necessary to effectuate and maintain dynamic transfer shall be reviewed and approved by Transmission Provider, in advance. Data to be transmitted to Tucson shall simultaneously be transmitted to Transmission Provider at Transmission Provider's control center. In the event the Transmission Customer desires communication redundancy for its own needs and/or for implementation of dynamic transfer of Transmission Customer's power into the Tucson Balancing Authority Area, it shall be at Transmission Customer's cost. Transmission Provider shall bear no cost responsibility for any communication redundancy desired by Transmission Customer. In addition, Transmission Provider shall bear no compliance responsibility for Interconnection Customer's communication equipment installed for the Transmission Customer's own needs and/or for implementation of dynamic transfer. Maintenance and testing responsibilities and all other responsibilities under the NERC Reliability Standards for such equipment resides with the Transmission Customer.

Transmission Customer will hold Transmission Provider harmless for any and all damages, losses, claims, and actions caused or incurred by personnel of Transmission Provider, Transmission Customer, Tucson, or any third party, related to dynamic transfer and the installation, use and maintenance of dynamic transfer equipment and data transmittals; provided, however, that Transmission Customer will not be responsible for those damages, losses, claims and actions caused by EPE's own gross negligence or willful misconduct.

Note: At the time this Service Agreement is being entered into, the Agreement provides for the transfer of the Transmission Customer's wind resource output to Tucson's Balancing Authority Area by means of dynamic scheduling. However, the Parties are discussing the potential use of a pseudo-tie, instead of dynamic scheduling. Transmission Provider may, but is not obligated to, accept a pseudo-tie arrangement with Tucson. If a pseudo-tie arrangement is accepted by Transmission Provider, the provisions in this section and in the Service Agreement with respect to dynamic transfer or dynamic scheduling shall nonetheless apply.

Tariff Submitter:	El Paso Electric Company
FERC Tariff Program Name:	FERC FPA Electric Tariff
Tariff Title:	Open Access Transmission Tariff
Tariff Record Proposed Effective Date:	January 9, 2020
Tariff Record Title:	OATT, Nonconforming Service Agreements, Service Agreement No. 332, Assignment of ST Conditional Firm PTP TSA from EDF to TEP, 0.0.0
Option Code:	A
The Entity Receiving Service Under the Agreement:	Tucson Electric Power Company
Brief Description of the Service Agreement:	Assignment of ST Conditional Firm PTP TSA

Service Agreement for
the Transfer of Firm and Conditional Firm
Point-To-Point Transmission Service

1.0 This Service Agreement, dated as of January 9, 2020, is entered into, by and between El Paso Electric Company ("Transmission Provider"), Tucson Electric Power Company ("Assignee" or "Transmission Customer"), and EDF Renewables Development, Inc. (f/k/a EDF Renewable Development, Inc.) ("Reseller") ("Transfer Agreement"). Transmission Provider, Assignee or Transmission Customer, and Reseller are collectively referred to as the "Parties" hereunder. This Transfer Agreement shall become effective upon the effective date imposed by the Federal Energy Regulatory Commission in an order accepting the Transfer Agreement, without change ("Effective Date"); provided, however, that a condition precedent to this Transfer Agreement is the effectiveness of the service agreements to be transferred. In no event will this Transfer Agreement become effective as to a service agreement providing transmission service rights, if the underlying agreement providing for such transmission service rights does not become effective.

2.0 The Assignee has been determined by the Transmission Provider to be an Eligible Customer under the Transmission Provider's Open Access Transmission Tariff (the "Tariff") pursuant to which the transmission service rights to be transferred were originally obtained.

3.0 The Assignee has satisfied the creditworthiness requirements of Section 11 of the Tariff.

4.0 The terms and conditions for the transaction entered into under this Transfer Agreement shall be subject to the terms and conditions of Part II of the Transmission Provider's Tariff, except as specifically provided otherwise in the underlying service agreements and except as specifically provided for in Sections 4.2 and 5 of this Transfer Agreement, below. Changes by the Assignee to the Reseller's Points of Receipt and Points of Delivery will be subject to the provisions of Section 23.2 of the Tariff.

4.1 As permitted under Section 23.1 of the Tariff, as of the Effective Date of this Transfer Agreement, Reseller hereby transfers and conveys to Assignee its rights, and interest in and to 250 MWs of the transmission service, in aggregate, reserved under Service Agreement Nos. 315, 317, 326 and 327, and all of Reseller's duties, obligations and responsibilities in connection with the transferred capacity.

4.2 Pursuant to Section 23.2 of the Tariff, as of the Effective Date of this Transfer Agreement, the Transmission Provider relieves, releases, and forever discharges Reseller from any liability for the performance of any duties, obligations, or responsibilities under Service Agreement Nos. 315, 317, 326 and 327 with respect to the 250 MWs of transmission service, in aggregate, being transferred hereunder. Instead, the Assignee shall be solely liable for the performance of all duties, obligations and responsibilities of the Transmission Customer under Service Agreement Nos. 315, 317, 326 and 327. With respect to the provision-of-financial-security obligation Reseller fulfilled as the Transmission Customer

under Service Agreement No. 326 before the effective date of this Transfer Agreement, Assignee shall satisfy such obligation before this Transfer Agreement may become effective. Assignee's satisfaction of such obligation is a condition precedent to this Transfer Agreement, without which this Transfer Agreement will not become effective.

5.0 Transmission Provider and Reseller agree that, in recognition of Reseller's permanent assignment of 250 MWs, in aggregate, to the Assignee of Reseller's rights, obligations, and liabilities under Service Agreement Nos. 315, 317, 326 and 327, that Reseller's status as Transmission Customer under Service Agreement Nos. 315, 317, 326 and 327 shall be terminated, and Reseller's rights, obligations, and liabilities thereunder extinguished, as of the Effective Date of this Transfer Agreement. As of the Effective Date of this Transfer Agreement, Assignee shall be solely responsible for all obligations and liabilities of the Reseller under Service Agreement Nos. 315, 317, 326 and 327. Upon the Effective Date of this Transfer Agreement, the Assignee is considered the Transmission Customer under Service Agreement Nos. 315, 317, 326 and 327. For greater certainty, as of the Effective Date of this Transfer Agreement, Transmission Provider relieves, releases and forever discharges Reseller from all its obligations and liabilities with respect to Service Agreement Nos. 315, 317, 326 and 327. Transmission Provider shall directly bill Assignee for all amounts due from the Transmission Customer to Transmission Provider, and Assignee shall directly pay Transmission Provider for all invoiced amounts.

6.0 Any notice or request made to or by the Transmission Provider or Assignee regarding this Transfer Agreement and the underlying service agreements shall be made to the representative of the other Party as indicated below.

Transmission Provider:

El Paso Electric Company
Attn: OASIS Admin LOC 751
P.O. Box 982
El Paso, TX 79960
TSR_requests@epelectric.com

Assignee:

Tucson Electric Power Company
88 East Broadway Blvd.
Mail Stop HQE302
Tucson, Arizona 85701
Attention: Manager, Wholesale Marketing

7.0 The Tariff and the contents of Service Agreement Nos. 315, 317, 326 and 327 are incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Transfer Agreement to be executed by their respective authorized officials.

Transmission Provider:

EL PASO ELECTRIC COMPANY

By: _____
Name: ADRIAN J. RODRIGUEZ
Title: INTERIM CEO

APPROVED AS TO FORM
OFFICE OF THE GENERAL COUNSEL

Assignee/Transmission Customer:

TUCSON ELECTRIC POWER COMPANY

By: _____
Name: _____
Title: _____

Reseller:

EDF RENEWABLES DEVELOPMENT, INC.

By: _____
Name: Tristan Grimbert
Title: President & CEO

IN WITNESS WHEREOF, the Parties have caused this Transfer Agreement to be executed by their respective authorized officials.

Transmission Provider:

EL PASO ELECTRIC COMPANY

By: _____
Name: _____
Title: _____

Assignee/Transmission Customer:

TUCSON ELECTRIC POWER COMPANY

By: _____
Name: Erik Bakken
Title: VP System Operations

Reseller:

EDF RENEWABLES DEVELOPMENT, INC.

By: _____
Name: Tristan Grimbert
Title: President & CEO

IN WITNESS WHEREOF, the Parties have caused this Transfer Agreement to be executed by their respective authorized officials.

Transmission Provider:

EL PASO ELECTRIC COMPANY

By: _____
Name:_____
Title:_____

Assignee/Transmission Customer:

TUCSON ELECTRIC POWER COMPANY

By: _____
Name:_____
Title:_____

Reseller:

EDF [redacted]LOPMENT, INC.



By: _ _____
Nam
Title: President & CEO

Specifications for the Transfer of Firm and Conditional Firm Point-To-Point Transmission Service

[Attach a fully executed copy of each of the four underlying service agreements]

Service Agreement
For
Short-Term Conditional Firm Point-To-Point Transmission Service

1.0 This Service Agreement ("Service Agreement" or "Agreement"), dated as of December _20, 2019, is entered into, by and between El Paso Electric Company ("Transmission Provider"), and EDF Renewables Development, Inc. ("Transmission Customer").

2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Firm Point-To-Point Transmission Service under the Transmission Provider's Open Access Transmission Tariff ("Tariff").

3.0 The Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Section 17.3 of the Tariff.

4.0 Service under this agreement shall commence on the later of (l) the requested service commencement date, subject to the conditions and restrictions identified in the Agreement pursuant to which service may begin after Contingent Facilities are completed and in service, or (2) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on the date mutually agreed upon by the parties (as shown in the Specifications, Section 1.0).

5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Conditional Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement. Important provisions associated with the service to be provided, and the conditions under which it is to be provided are contained in the Specifications and the Appendix.

6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

El Paso Electric Company
Attn: OASIS Admin LOC 751
P.O. Box 982
El Paso, TX 79960

TSR_requests@epelectric.com

Transmission Customer:

Justin Radl
Sr. Manager, Transmission & Market Analytics
EDF Renewables
10 2nd St., NE, Suite 400
Minneapolis, MN 55413
Justin.Radl@edf-re.com

7.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

APPROVED AS TO FORM
OFFICE OF THE GENERAL COUNSEL

By:			
	Name	Title	Date

Transmission Customer:

By:	Ryan Pfaff	EVP, Grid-Scale Power	12/20/2019
	Name	Title	Date

Specifications for Short-Term Conditional Firm Point-To-Point Transmission Service

1.0 ***Term of Transaction***: Four (4) Months

Start Date: September 1, 2020 Hour 00:00 MS

Termination Date: January 1, 2021 Hour 00:00 MS

2.0 ***Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates***.

Wind generation from the Oso Grande Wind Generating Project in Chaves County, New Mexico. The electric Control Area/Balancing Authority Area in which the transaction originates (where the generation is to be located) is Tucson Electric Power Company. Transmission Customer understands that Transmission Provider has determined that the transmission service to be provided under this Agreement is generation dependent. Specifically, the capability of the Transmission Provider's transmission system to provide service under this Agreement is dependent on the presence of Transmission Customer's Oso Grande Wind Generating Project at the Point of Receipt and is only available for the delivery of electricity generated at the Oso Grande Wind Generating Project. The Transmission Customer will be billed for its Reserved Capacity beginning on the Start Date identified in Section 1.0 above, without regard to the status of the Oso Grande Wind Generating Project. There are other conditions associated with service to the Transmission Customer under this Agreement. See Sections 9.0 and 10.0, below, and the Appendix.

3.0 ***Point(s) of Receipt:*** The Empire 345 kV Substation in Eddy County, New Mexico, a new 345 kV substation to be constructed under a Large Generator Interconnection Agreement identified as EPE Service Agreement No. 325.

Delivering Party: Transmission Customer

4.0 ***Point(s) of Delivery***: Springerville 345 kV Substation

Receiving Party: Tucson Electric Power Company

5.0 ***Maximum amount of capacity and energy to be transmitted (Reserved Capacity)***: 65 MW

6.0 ***Designation of party(ies) subject to reciprocal service obligation***: None

7.0 ***Name(s) of any Intervening Systems providing transmission service***: None.

8.0 ***Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)***

8.1 ***Transmission Charge***:

The Tariff's Schedule 7 monthly delivery charge for Reserved Capacity for Long-Term Firm Point-to-Point Transmission Service. The Schedule 7 monthly delivery charge for Reserved Capacity is currently shown in Section A of the Transmission Provider's Tariff Schedule 7. Other charges are associated with transmission service under this Agreement, as applicable under the Tariff, including, for example, ancillary service charges.

8.2 System Impact and/or Facilities Study Charge(s):

Not Applicable.

8.3 ***Direct Assignment Facilities Charge***:

Not Applicable.

8.4 ***Ancillary Services Charges***:

Schedules 1 and 2, as those charges may change from time to time during the term of this Agreement. Other ancillary service schedule charges, if applicable and requested by Transmission Customer and agreed to by Transmission Provider, are to be assessed under this Agreement, as those charges may change from time to time during the term of this Agreement; provided, however, that Transmission Provider is not obligated to provide the following Ancillary Services, because neither the generating resource nor the load being served is in the Transmission Provider's Balancing Authority Area: Schedules 3, 4, 5, 6 and 9.

9.0 ***Contingent Facilities***: The Amrad-to-Eddy transmission line upgrade identified as necessary for the Transmission Customer's long-term conditional firm point-to-point transmission service under Service Agreement No. 326 is necessary to provide the requested service to the Transmission Customer under this instant Agreement.

In addition, the facilities identified as necessary for the Transmission Customer's interconnection service under its Service Agreement No. 325 are necessary to provide the requested transmission service to the Transmission Customer under this instant Agreement.

10.0 ***Conditions***: Availability of service under this Agreement is conditional, based upon the following:

a. The Point of Delivery for the requested service is Springerville 345 kV Substation, an existing Point of Delivery under Transmission Provider's Tariff. The study work performed has shown that a phase-shifting transformer ("PST") would be necessary to force flows to the Transmission Customer's desired Point of Delivery. As described in the Appendix, Transmission Provider and Transmission Customer, in coordination with Tucson Electric Power Company, have agreed on an alternative resolution that obviates the need for a PST to force the flow of power to Springerville. This Agreement is conditioned upon the resolution of that matter, as described in the Appendix.

b. Additional conditions are set forth in the Appendix.

11.0 ***Request to Change Receipt or Delivery Point***: Transmission Customer requests for a change in point(s) shall be addressed in the manner set forth in Transmission Provider's Tariff. See Article 22.

12.0 ***Successors and Assigns***: This Agreement shall be binding upon the Parties and their successors and assigns. Either Party may assign this Agreement subject to the same conditions set forth in Article 23 of the Transmission Provider's Tariff.

13.0 ***Waiver***. No provision of this Agreement shall be deemed to have been waived unless such waiver is in writing signed by the waiving Party. No failure by any Party to insist upon the strict performance of any provision of this Agreement or to exercise any right or remedy consequent upon a breach thereof, shall constitute a waiver of any such breach of such provision or of any other provision. No waiver of any provision of this Agreement shall be deemed a waiver of any other provision of this Agreement or a waiver of such provision with respect to any other subsequent breach, unless expressly provided in writing.

14.0 ***Governing Law***. Except to the extent preempted by federal law, this Agreement shall in all respects be interpreted, and enforced in accordance with the laws of the State of Texas, without reference to rules governing conflicts of laws.

15.0 ***Relationship of Parties***: No Third-Party Beneficiaries. Nothing contained in this Agreement shall be construed to create an agency relationship, association, joint venture, trust or partnership, or impose a trust or partnership covenant, obligation, or liability on or with regard to either of the Parties. Each Party shall be individually responsible for its own covenants, obligations, and liabilities under this Agreement. Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability or inference of liability to any third party.

16.0 ***Severability***. If any provision of this Agreement is held invalid or unenforceable for any reason by a court or governmental agency of competent jurisdiction, then the objectionable portions of the provision shall be stricken, and all other provisions of this Agreement shall remain unaffected and in force. The Parties shall be relieved of their obligations only to the extent necessary to eliminate the objectionable portions unless a court or governmental agency of competent jurisdiction holds that the invalidated provision is not separable from the remainder of the Agreement.

17.0 ***Recitals, Headings***. The recitals, headings, and subtitles in this Agreement are for the convenience of the Parties and are not to be used for its construction or interpretation.

18.0 ***Damages***. Either Party may exercise any or all of its rights and remedies under this Agreement and under any applicable laws, rules and regulations; provided, however, that EXCEPT AS SPECIFICALLY PROVIDED IN THE APPENDIX, SECTIONS I(b) AND V, UNDER NO CIRCUMSTANCES SHALL EITHER PARTY BE LIABLE FOR ANY ECONOMIC LOSSES OR DAMAGES, INCLUDING BUT NOT LIMITED TO SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, OR EXEMPLARY DAMAGES.

APPENDIX

Additional terms and conditions of this Service Agreement are set forth below:

I. DIFFERENCES BETWEEN CONTRACT PATH TO SPRINGERVILLE AND ACTUAL FLOW OF POWER TO GREENLEE

a. *Actual Flow of Power*

The study work performed to evaluate the Transmission Customer's request for transmission service to a Springerville 345 kV Point of Delivery revealed that a significant portion of the flow of power will go to the Greenlee 345 kV, and not the Springerville 345 kV. Tucson Electric Power Company ("Tucson") is (a) the owner of the Springerville 345 kV Substation that is serving as the Transmission Customer's Point of Delivery and the Balancing Authority at Springerville, (b) the Balancing Authority for the generating facility located at the Transmission Customer's desired Point of Receipt (*i.e.*, the Oso Grande wind generating facility), and (c) the owner and operator of the Greenlee 345 kV Substation and the Balancing Authority at Greenlee, where much of the power will actually flow. The output of the Oso Grande wind generating facility is to be the source of the power that is to be transmitted by EPE under the instant Service Agreement.

b. *Phase-Shifting Transformer*

The study work evaluating the Transmission Customer's transmission service request, identified the installation of a phase-shifting transformer ("PST") at the Macho Springs Substation as required to force flows toward Tucson's Springerville Substation and away from Tucson's Greenlee Substation.

Instead of proceeding with the installation of a PST at this time, EPE and Transmission Customer have agreed as follows:

i. Transmission Customer's schedules and tags for transmission service under this Service Agreement will show Springerville 345 kV Substation as the Point of Delivery.

ii. Transmission Customer will tender to EPE within thirty (30) days of the effective date of this Service Agreement, and no later than six (6) months prior to the Start Date of service under this Service

Agreement, a signed statement from Tucson to EPE that the inadvertent flow to Greenlee is acceptable to Tucson and that Tucson does not consider it a breach of any contractual or other arrangement or agreement between EPE and Tucson.

iii. Transmission Provider's obligations to provide transmission service to Transmission Customer under this Agreement is conditioned upon continued acceptance by Relevant Entities of the actual flow to Greenlee and the difference between scheduled deliveries to Springerville and actual deliveries to Springerville. Relevant Entities shall include EPE and Tucson, and any entity with governing authority over EPE, including, but not limited to, the Western Electricity Coordinating Council, the North American Electric Reliability Corporation and any Reliability Coordinator with responsibilities over the affected transmission system facilities and operations.

iv. EPE and/or Transmission Customer will communicate with Tucson in advance of the Start Date of this Service Agreement to confirm that Tucson has knowledge of the commencement of service to Transmission Customer under this Agreement.

v. Transmission Customer will hold EPE harmless from any adverse effects of the inadvertent flow to Greenlee (including, but not limited to, imbalances and operational issues) and for any and all damages, losses, claims, and actions caused or incurred by EPE as a result of relying on this procedure in lieu of installation of a PST to force flows to Springerville; provided, however, that Transmission Customer will not be responsible for those damages, losses, claims and actions caused by EPE's own gross negligence or willful misconduct.

II. GENERATION-DEPENDENT PORTION OF THE TRANSMISSION PATH

A portion of the transmission path from the Point of Receipt to the Point of Delivery is generation dependent, such that flow from the Oso Grande wind generating facility at the Point of Receipt is necessary in order to provide the requested transmission service to the Transmission Customer under this Agreement.

III. NEED FOR SHUNT REACTOR AT POINT OF RECEIPT; OPERATING PROCEDURES IN EFFECT UNTIL REACTOR IN SERVICE

a. Transmission Customer is also the Interconnection Customer under a large generator interconnection agreement with Transmission Provider for the Oso Grande wind generating facility. This large generator interconnection agreement requires the installation of, among other things, a 50 MVAR 345 kV shunt reactor at the Empire 345 kV Substation (*i.e.*, the Point of Receipt under the instant Service Agreement).
b. Transmission operations, including the ability to effectively implement line switching orders, depends upon a reactor at the Empire 345 kV Substation that marks the location where the line segments connect to each other.
c. The shunt reactor will be placed on the Amrad line terminal of the Empire 345 kV Substation. A 345 kV synchronous breaker will control the switching of this shunt reactor.
d. The shunt reactor identified as necessary under the large generator interconnection agreement may not be available and in service at the Empire 345 kV Substation until after the Commercial Operation Date of the Oso Grande wind generating facility, which is the source of power for transmission under this Service Agreement.
e. During the period before the shunt reactor is in service at the Empire 345 kV Substation, Transmission Provider may permit the Oso Grande wind generating facility to generate output for tender to the Empire 345 kV Substation, subject to the Transmission Provider's right to direct the curtailment of Oso Grande wind generating facility's output as necessary, without restriction.

IV. IN GENERAL

Transmission Customer will adhere to all Transmission Provider operating instructions and operational procedures necessary during the term of this Agreement, including, but not limited to, instructions and/or procedures to maintain the integrity of the Transmission Provider's transmission system, to perform switching and tagging, system restoration, etc. The Transmission Customer will implement and maintain for its generating resource at the Point of Receipt a 24-hour Generator Operator function capable of receiving instructions from the Transmission Provider to immediately curtail generating facility output and take other action(s) if/when instructed by the Transmission Provider.

V. DYNAMIC TRANSFER OF LARGE GENERATING FACILITY OUTPUT

Transmission Customer shall cause Tucson to install telemetry to monitor the generation injection at the Point of Receipt in order to effect dynamic transfer of wind

power and energy in real-time out of the Transmission Provider's Balancing Authority Area and into the Tucson Balancing Authority Area. Transmission Customer is responsible for all costs and arrangements necessary to establish and maintain suitable real-time measurement and telecommunications to transmit (in standard prevailing minimum intervals, currently 4-second intervals) generator injections at the Point of Receipt and facility status information necessary to implement dynamic transfer. A back-up data link shall also be installed for use to eliminate any single point of failure for dynamic transfer data transmittal between Transmission Provider and Tucson, at Transmission Customer's expense. Equipment, telecommunication and other services necessary for dynamic transfer are not eligible for reimbursement by Transmission Provider to Transmission Customer.

Equipment and data transmission services necessary to effectuate and maintain dynamic transfer shall be reviewed and approved by Transmission Provider, in advance. Data to be transmitted to Tucson shall simultaneously be transmitted to Transmission Provider at Transmission Provider's control center. In the event the Transmission Customer desires communication redundancy for its own needs and/or for implementation of dynamic transfer of Transmission Customer's power into the Tucson Balancing Authority Area, it shall be at Transmission Customer's cost. Transmission Provider shall bear no cost responsibility for any communication redundancy desired by Transmission Customer. In addition, Transmission Provider shall bear no compliance responsibility for Interconnection Customer's communication equipment installed for the Transmission Customer's own needs and/or for implementation of dynamic transfer. Maintenance and testing responsibilities and all other responsibilities under the NERC Reliability Standards for such equipment resides with the Transmission Customer.

Transmission Customer will hold Transmission Provider harmless for any and all damages, losses, claims, and actions caused or incurred by personnel of Transmission Provider, Transmission Customer, Tucson, or any third party, related to dynamic transfer and the installation, use and maintenance of dynamic transfer equipment and data transmittals; provided, however, that Transmission Customer will not be responsible for those damages, losses, claims and actions caused by EPE's own gross negligence or willful misconduct.

Note: At the time this Service Agreement is being entered into, the Agreement provides for the transfer of the Transmission Customer's wind resource output to Tucson's Balancing Authority Area by means of dynamic scheduling. However, the Parties are discussing the potential use of a pseudo-tie, instead of dynamic scheduling. Transmission Provider may, but is not obligated to, accept a pseudo-tie arrangement with Tucson. If a pseudo-tie arrangement is accepted by Transmission Provider, the provisions in this section and in the Service Agreement with respect to dynamic transfer or dynamic scheduling shall nonetheless apply.

Tariff Submitter:	El Paso Electric Company
FERC Tariff Program Name:	FERC FPA Electric Tariff
Tariff Title:	Open Access Transmission Tariff
Tariff Record Proposed Effective Date:	May 29, 2020
Tariff Record Title:	OATT, Nonconforming Service Agreements, Service Agreement No. 335, Large Generator Interconnection Agreement with EDFR, 0.0.0
Option Code:	A
The Entity Receiving Service Under the Agreement:	EDF Renewables Development, Inc.
Brief Description of the Service Agreement:	Nonconforming EDFR Solar LGIA

Appendix 6. STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT (LGIA)

Appendix 6 to the Standard Large Generator Interconnection Procedures

LARGE GENERATOR INTERCONNECTION AGREEMENT (LGIA)

(Applicable to Generating Facilities that exceed 20 MW)

Appendix 6. STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT (LGIA)

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Standard Large Generator Interconnection Agreement

LARGE GENERATOR INTERCONNECTION AGREEMENT

THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT ("Agreement") is made and entered into this 5th day of February, 2020, by and between EDF Renewables, Inc., a corporation organized and existing under the laws of the State/Commonwealth of Delaware ("Interconnection Customer" with a Large Generating Facility), and El Paso Electric Company, a corporation organized and existing under the laws of the State of Texas ("Transmission Provider and/or Transmission Owner"). Interconnection Customer and Transmission Provider each may be referred to as a "Party" or collectively as the "Parties."

Recitals

WHEREAS, Transmission Provider operates the Transmission System; and

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the Generating Facility identified as a Large Generating Facility in Appendix C to this Agreement; and,

WHEREAS, Interconnection Customer and Transmission Provider have agreed to enter into this Agreement for the purpose of interconnecting the Large Generating Facility with the Transmission System;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

When used in this Standard Large Generator Interconnection Agreement, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used or the Open Access Transmission Tariff (Tariff).

Article 1. Definitions

Adverse System Impact shall mean the negative effects due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.

Affected System shall mean an electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

Affiliate shall mean, with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

Ancillary Services shall mean those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Council shall mean the reliability council applicable to the Transmission System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Transmission System to which the Generating Facility is directly interconnected.

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies by the Transmission Provider or Interconnection Customer.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the Standard Large Generator Interconnection Agreement.

Breaching Party shall mean a Party that is in Breach of the Standard Large Generator Interconnection Agreement.

Business Day shall mean Monday through Friday, excluding Federal Holidays.

Calendar Day shall mean any day including Saturday, Sunday or a Federal Holiday.

Clustering shall mean the process whereby a group of Interconnection Requests is studied together, instead of serially, for the purpose of conducting the Interconnection System Impact Study.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Standard Large Generator Interconnection Agreement.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Control Area shall mean an electrical system or systems bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the interconnection. A Control Area must be certified by the Applicable Reliability Council.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Standard Large Generator Interconnection Agreement.

Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution System shall mean the Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

Distribution Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which the Standard Large Generator Interconnection Agreement becomes effective upon execution by the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of a Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Transmission Provider's Transmission System, Transmission Provider's Interconnection Facilities or the electric systems of others to which the Transmission Provider's Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by the Large Generator Interconnection Agreement to possess black start capability.

Energy Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to connect its Generating Facility to the Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or nonfirm capacity of the Transmission Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

Engineering & Procurement (E&P) Agreement shall mean an agreement that authorizes the Transmission Provider to begin engineering and procurement of long leadtime items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a et seq.

FERC shall mean the Federal Energy Regulatory Commission (Commission) or its successor.

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility shall mean Interconnection Customer's device for the

production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Generating Facility Capacity shall mean the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.

Good Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer, Transmission Provider, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Transmission Provider's Interconnection Facilities to obtain back feed power.

Interconnection Customer shall mean any entity, including the Transmission

Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the Transmission Provider's Transmission System. Where the Interconnection Customer and the Transmission Provider are the same entity, application of the following provisions set forth herein is not required: provisions governing the posting of security (in Articles 5 and 11), provisions governing taxes and reimbursements for tax liability (in Article 5), provisions governing indemnity, consequential damages and insurance (in Article 18), and provisions governing billing and payment (in Articles 12 and 15) (invoices are not required, but may be generated and tendered for administrative use to aid in the identification and accounting of costs).

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the Standard Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean the Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Study shall mean a study conducted by the Transmission Provider or a third party consultant for the Interconnection Customer to determine a list of facilities (including Transmission Provider's Interconnection Facilities and Network Upgrades as identified in the Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Transmission Provider's Transmission System. The scope of the study is defined in Section 8 of the Standard Large Generator Interconnection Procedures.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 3 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Facilities Study.

Interconnection Feasibility Study shall mean a preliminary evaluation of the system impact and cost of interconnecting the Generating Facility to the Transmission Provider's Transmission System, the scope of which is described in Section 6 of the

Standard Large Generator Interconnection Procedures.

Interconnection Feasibility Study Agreement shall mean the form of agreement contained in Appendix 2 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Feasibility Study.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to the Standard Large Generator Interconnection Procedures, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider's Transmission System.

Interconnection Service shall mean the service provided by the Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Transmission Provider's Transmission System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Standard Large Generator Interconnection Agreement and, if applicable, the Transmission Provider's Tariff.

Interconnection Study shall mean any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study described in the Standard Large Generator Interconnection Procedures.

Interconnection System Impact Study shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of Transmission Provider's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in the Interconnection Feasibility Study, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Standard Large Generator Interconnection Procedures.

Interconnection System Impact Study Agreement shall mean the form of agreement contained in Appendix 3 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection System Impact Study.

IRS shall mean the Internal Revenue Service.

Joint Operating Committee shall be a group made up of representatives from Interconnection Customers and the Transmission Provider to coordinate operating and

technical considerations of Interconnection Service.

Large Generating Facility shall mean a Generating Facility having a Generating Facility Capacity of more than 20 MW.

Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non performance of its obligations under the Standard Large Generator Interconnection Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnifying Party.

Material Modification shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Standard Large Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

NERC shall mean the North American Electric Reliability Council or its successor organization.

Network Resource shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Network Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission Provider's Transmission System (1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Facilities connect to the Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Standard Large Generator Interconnection Agreement or its performance.

Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 5 of the Standard Large Generator Interconnection Procedures for conducting the Optional Interconnection Study.

Party or **Parties** shall mean Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Customer's Interconnection Facilities connect to the Transmission Provider's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Facilities connect to the Transmission Provider's Transmission System.

Provisional Interconnection Service shall mean Interconnection Service provided by Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to Transmission Provider's Transmission System and enabling that Transmission System to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

Provisional Large Generator Interconnection Agreement shall mean the interconnection agreement for Provisional Interconnection Service established between Transmission Provider and/or the Transmission Owner and the Interconnection Customer. This agreement shall take the form of the Large Generator Interconnection Agreement, modified for provisional purposes.

Queue Position shall mean the order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by the Transmission Provider.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Standard Large Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Scoping Meeting shall mean the meeting between representatives of the Interconnection Customer and Transmission Provider conducted for the purpose of discussing alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection.

Site Control shall mean documentation reasonably demonstrating: (1) ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Generating Facility; (2) an option to purchase or acquire a leasehold site for such purpose; or (3) an exclusivity or other business relationship between Interconnection Customer and the entity having the right to sell, lease or grant Interconnection Customer the right to possess or occupy a site for such purpose.

Small Generating Facility shall mean a Generating Facility that has a Generating Facility Capacity of no more than 20 MW.

Stand Alone Network Upgrades shall mean Network Upgrades that are not part of an Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Large Generator Interconnection Agreement. If the Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, the Transmission Provider must provide the Interconnection Customer a written technical explanation outlining why the Transmission Provider does not consider the Network Upgrade to be a Stand Alone Network Upgrade within 15 days of its determination.

Standard Large Generator Interconnection Agreement (LGIA) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility that is included in the Transmission Provider's Tariff. This Agreement (also sometimes referred to herein as "LGIA") is non-conforming. It differs from the Standard Large Generator Interconnection Agreement. References to the Standard Large Generator Interconnection Agreement are to the instant non-conforming agreement.

Standard Large Generator Interconnection Procedures (LGIP) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that are included in the Transmission Provider's Tariff.

Surplus Interconnection Service shall mean any unneeded portion of Interconnection Service established in a Large Generator Interconnection Agreement, such that if Surplus Interconnection Service is utilized the total amount of Interconnection Service at the Point of Interconnection would remain the same.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Transmission Provider's Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Transmission Provider's Transmission System or on other delivery systems or other generating systems to which the Transmission Provider's Transmission System is directly connected.

Tariff shall mean the Transmission Provider's Tariff through which open access transmission service and Interconnection Service are offered, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

Transmission Owner shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Standard Large Generator Interconnection Agreement to the extent necessary.

Transmission Provider shall mean the public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

Transmission Provider's Interconnection Facilities shall mean all facilities and equipment owned, controlled or operated by the Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Standard Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Transmission System shall mean the facilities owned, controlled or operated by

the Transmission Provider or Transmission Owner that are used to provide transmission service under the Tariff.

Trial Operation shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

Variable Energy Resource shall mean a device for the production of electricity that is characterized by an energy source that: (1) is renewable; (2) cannot be stored by the facility owner or operator; and (3) has variability that is beyond the control of the facility owner or operator.

Article 2. Effective Date, Term, and Termination

2.1 Effective Date. This LGIA shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC. Transmission Provider shall promptly file this LGIA with FERC upon execution in accordance with Article 3.1, if required.

2.2 Term of Agreement. Subject to the provisions of Article 2.3, this LGIA shall remain in effect for a period of ten (10) years from the Effective Date or such other longer period as Interconnection Customer may request (Term to be specified in individual agreements) and shall be automatically renewed for each successive one-year period thereafter.

2.3 Termination Procedures.

2.3.1 Written Notice. This LGIA may be terminated by Interconnection Customer after giving Transmission Provider ninety (90) Calendar Days advance written notice, or by Transmission Provider notifying FERC after the Generating Facility permanently ceases Commercial Operation.

2.3.2 Default. Either Party may terminate this LGIA in accordance with Article 17.

2.3.3. Notwithstanding Articles 2.3.1 and 2.3.2, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this LGIA, which notice has been accepted for filing by FERC.

2.4 Termination Costs. If a Party elects to terminate this Agreement pursuant to Article 2.3 above, each Party shall pay all costs incurred (including any

cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party, as of the date of the other Party's receipt of such notice of termination, that are the responsibility of the Terminating Party under this LGIA. In the event of termination by a Party, the Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this LGIA, unless otherwise ordered or approved by FERC:

2.4.1 With respect to any portion of Transmission Provider's Interconnection Facilities that have not yet been constructed or installed, Transmission Provider shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Transmission Provider shall deliver such material and equipment, and, if necessary, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Transmission Provider for any or all such costs of materials or equipment not taken by Interconnection Customer, Transmission Provider shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by Transmission Provider to cancel any pending orders of or return such materials, equipment, or contracts.

If an Interconnection Customer terminates this LGIA, it shall be responsible for all costs incurred in association with that Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any Network Upgrades for which Transmission Provider has incurred expenses and has not been reimbursed by Interconnection Customer.

2.4.2 Transmission Provider may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Transmission Provider shall be responsible for all costs associated with procuring such materials, equipment, or facilities.

2.4.3 With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this LGIA, Interconnection Customer shall be responsible for all costs

associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

2.5 Disconnection. Upon termination of this LGIA, the Parties will take all appropriate steps to disconnect the Large Generating Facility from the Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the nonterminating Party's Default of this LGIA or such non-terminating Party otherwise is responsible for these costs under this LGIA.

2.6 Survival. This LGIA shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this LGIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this LGIA was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this LGIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

Article 3. Regulatory Filings

3.1 Filing. Transmission Provider shall file this LGIA (and any amendment hereto) with the appropriate Governmental Authority, if required. Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 22. If Interconnection Customer has executed this LGIA, or any amendment thereto, Interconnection Customer shall reasonably cooperate with Transmission Provider with respect to such filing and to provide any information reasonably requested by Transmission Provider needed to comply with applicable regulatory requirements.

Article 4. Scope of Service

4.1 Interconnection Product Options. Interconnection Customer has selected the following (checked) type of Interconnection Service:

4.1.1 Energy Resource Interconnection Service

4.1.1.1 The Product. Energy Resource Interconnection Service allows Interconnection Customer to connect the Large Generating Facility to the Transmission System and be eligible to deliver the Large Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an "as available" basis. To the

extent Interconnection Customer wants to receive Energy Resource Interconnection Service, Transmission Provider shall construct facilities identified in Attachment A.

4.1.1.2 **Transmission Delivery Service Implications**. Under Energy Resource Interconnection Service, Interconnection Customer will be eligible to inject power from the Large Generating Facility into and deliver power across the interconnecting Transmission Provider's Transmission System on an "as available" basis up to the amount of MWs identified in the applicable stability and steady state studies to the extent the upgrades initially required to qualify for Energy Resource Interconnection Service have been constructed. Where eligible to do so (e.g., PJM, ISONE, NYISO), Interconnection Customer may place a bid to sell into the market up to the maximum identified Large Generating Facility output, subject to any conditions specified in the interconnection service approval, and the Large Generating Facility will be dispatched to the extent Interconnection Customer's bid clears. In all other instances, no transmission delivery service from the Large Generating Facility is assured, but Interconnection Customer may obtain Point-to-Point Transmission Service, Network Integration Transmission Service, or be used for secondary network transmission service, pursuant to Transmission Provider's Tariff, up to the maximum output identified in the stability and steady state studies. In those instances, in order for Interconnection Customer to obtain the right to deliver or inject energy beyond the Large Generating Facility Point of Interconnection or to improve its ability to do so, transmission delivery service must be obtained pursuant to the provisions of Transmission Provider's Tariff. The Interconnection Customer's ability to inject its Large Generating Facility output beyond the Point of Interconnection, therefore, will depend on the existing capacity of Transmission Provider's Transmission System at such time as a transmission service request is made that would accommodate such delivery. The provision of firm Point-to-Point Transmission Service or Network Integration Transmission Service may require the construction of additional Network Upgrades.

✓ **4.1.2 Network Resource Interconnection Service**. (Selected)

4.1.2.1 **The Product**. Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility (1) in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an ISO or RTO with market based congestion management, in the same manner as all Network Resources. To the extent Interconnection Customer wants to receive Network Resource Interconnection Service, Transmission Provider shall construct the facilities identified in Attachment A to this LGIA.

4.1.2.2 **Transmission Delivery Service Implications**. Network Resource Interconnection Service allows Interconnection Customer's Large Generating Facility to be designated by any Network Customer under the Tariff on Transmission Provider's Transmission System as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur. Although Network Resource Interconnection Service does not convey a reservation of transmission service, any Network Customer under the Tariff can utilize its network service under the Tariff to obtain delivery of energy from the interconnected Interconnection Customer's Large Generating Facility in the same manner as it accesses Network Resources. A Large Generating Facility receiving Network Resource Interconnection Service may also be used to provide Ancillary Services after technical studies and/or periodic analyses are performed with respect to the Large Generating Facility's ability to provide any applicable Ancillary Services, provided that such studies and analyses have been or would be required in connection with the provision of such Ancillary Services by any existing Network Resource. However, if an Interconnection Customer's Large Generating Facility has not been designated as a Network Resource by any load, it cannot be required to provide Ancillary Services except to the extent such requirements extend to all generating facilities that are similarly situated. The provision of Network Integration Transmission Service or firm Point-to-Point Transmission

Service may require additional studies and the construction of additional upgrades. Because such studies and upgrades would be associated with a request for delivery service under the Tariff, cost responsibility for the studies and upgrades would be in accordance with FERC's policy for pricing transmission delivery services. Network Resource Interconnection Service does not necessarily provide Interconnection Customer with the capability to physically deliver the output of its Large Generating Facility to any particular load on Transmission Provider's Transmission System without incurring congestion costs. In the event of transmission constraints on Transmission Provider's Transmission System, Interconnection Customer's Large Generating Facility shall be subject to the applicable congestion management procedures in Transmission Provider's Transmission System in the same manner as Network Resources.

There is no requirement either at the time of study or interconnection, or at any point in the future, that Interconnection Customer's Large Generating Facility be designated as a Network Resource by a Network Service Customer under the Tariff or that Interconnection Customer identify a specific buyer (or sink). To the extent a Network Customer does designate the Large Generating Facility as a Network Resource, it must do so pursuant to Transmission Provider's Tariff.

Once an Interconnection Customer satisfies the requirements for obtaining Network Resource Interconnection Service, any future transmission service request for delivery from the Large Generating Facility within Transmission Provider's Transmission System of any amount of capacity and/or energy, up to the amount initially studied, will not require that any additional studies be performed or that any further upgrades associated with such Large Generating Facility be undertaken, regardless of whether or not such Large Generating Facility is ever designated by a Network Customer as a Network Resource and regardless of changes in ownership of the Large Generating Facility. However, the reduction or elimination of congestion or redispatch costs may require additional studies and the construction of additional upgrades.

To the extent Interconnection Customer enters into an arrangement for long term transmission service for deliveries from the Large Generating Facility outside Transmission Provider's Transmission System, such request may require additional studies and upgrades in order for Transmission Provider to grant such request.

4.2 Provision of Service. Transmission Provider shall provide Interconnection Service for the Large Generating Facility at the Point of Interconnection.

4.3 Performance Standards. Each Party shall perform all of its obligations under this LGIA in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this LGIA for its compliance therewith. If such Party is a Transmission Provider or Transmission Owner, then that Party shall amend the LGIA and submit the amendment to FERC for approval.

4.4 No Transmission Delivery Service. The execution of this LGIA does not constitute a request for, nor the provision of, any transmission delivery service under Transmission Provider's Tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.

4.5 Interconnection Customer Provided Services. The services provided by Interconnection Customer under this LGIA are set forth in Article 9.6 and Article 13.5.1. Interconnection Customer shall be paid for such services in accordance with Article 11.6.

Article 5. Interconnection Facilities Engineering, Procurement, and Construction

5.1 Options. Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either Standard Option or Alternate Option set forth below, and such dates and selected option shall be set forth in Appendix B, Milestones. At the same time, Interconnection Customer shall indicate whether it elects to exercise the Option to Build set forth in Article 5.1.3 below. If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days. Upon receipt of the notification that Interconnection Customer's designated dates are not acceptable to Transmission Provider, the Interconnection Customer shall notify Transmission Provider within

thirty (30) Calendar Days whether it elects to exercise the Option to Build if it has not already elected to exercise the Option to Build.

5.1.1 Standard Option. Transmission Provider shall design, procure, and construct Transmission Provider's Interconnection Facilities and Network Upgrades, using Reasonable Efforts to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the dates set forth in Appendix B, Milestones. Transmission Provider shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event Transmission Provider reasonably expects that it will not be able to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the specified dates, Transmission Provider shall promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

5.1.2 Alternate Option. If the dates designated by Interconnection Customer are acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities by the designated dates.

If Transmission Provider subsequently fails to complete Transmission Provider's Interconnection Facilities by the In-Service Date, to the extent necessary to provide back feed power; or fails to complete Network Upgrades by the Initial Synchronization Date to the extent necessary to allow for Trial Operation at full power output, unless other arrangements are made by the Parties for such Trial Operation; or fails to complete the Network Upgrades by the Commercial Operation Date, as such dates are reflected in Appendix B, Milestones; Transmission Provider shall pay Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by Interconnection Customer shall be extended day for day for each day that the applicable RTO or ISO refuses to grant clearances to install equipment.

5.1.3 Option to Build. Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades on the dates specified in Article 5.1.2. Transmission Provider and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A. Except for Stand Alone Network Upgrades, Interconnection

Customer shall have no right to construct Network Upgrades under this option.

5.1.4 Negotiated Option. If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, the Parties shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates and liquidated damages, the provision of incentives, or the procurement and construction of all facilities other than Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades if the Interconnection Customer elects to exercise the Option to Build under Article 5.1.3). If the Parties are unable to reach agreement on such terms and conditions, then, pursuant to article 5.1.1 (Standard Option), Transmission Provider shall assume responsibility for the design, procurement and construction of all facilities other than Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades if the Interconnection Customer elects to exercise the Option to Build.

5.2 General Conditions Applicable to Option to Build. If Interconnection Customer assumes responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades,

(1) Interconnection Customer shall engineer, procure equipment, and construct Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by Transmission Provider;

(2) Interconnection Customer's engineering, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of law to which Transmission Provider would be subject in the engineering, procurement or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(3) Transmission Provider shall review and approve the engineering design, equipment acceptance tests, and the construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(4) prior to commencement of construction, Interconnection Customer shall provide to Transmission Provider a schedule for construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for information

from Transmission Provider;

(5) at any time during construction, Transmission Provider shall have the right to gain unrestricted access to Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;

(6) at any time during construction, should any phase of the engineering, equipment procurement, or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by Transmission Provider, Interconnection Customer shall be obligated to remedy deficiencies in that portion of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(7) Interconnection Customer shall indemnify Transmission Provider for claims arising from Interconnection Customer's construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades under the terms and procedures applicable to Article 18.1 Indemnity;

(8) Interconnection Customer shall transfer control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to Transmission Provider;

(9) Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Transmission Provider's Interconnection Facilities and StandAlone Network Upgrades to Transmission Provider;

(10) Transmission Provider shall approve and accept for operation and maintenance Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to the extent engineered, procured, and constructed in accordance with this Article 5.2; and

(11) Interconnection Customer shall deliver to Transmission Provider "asbuilt" drawings, information, and any other documents that are reasonably required by Transmission Provider to assure that the Interconnection Facilities and Stand Alone Network Upgrades are built to the standards and specifications required by Transmission Provider.

(12) If Interconnection Customer exercises the Option to Build pursuant to Article 5.1.3, Interconnection Customer shall pay Transmission Provider an agreed upon amount for Transmission Provider to execute the

responsibilities enumerated to Transmission Provider under Article 5.2, which amount shall not be less than $25,000. Transmission Provider shall invoice Interconnection Customer for this total amount to be divided on a monthly basis pursuant to Article 12.

5.3 Liquidated Damages. The actual damages to Interconnection Customer, in the event Transmission Provider's Interconnection Facilities or Network Upgrades are not completed by the dates designated by Interconnection Customer and accepted by Transmission Provider pursuant to subparagraphs 5.1.2 or 5.1.4, above, may include Interconnection Customer's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of such uncertainty, any liquidated damages paid by Transmission Provider to Interconnection Customer in the event that Transmission Provider does not complete any portion of Transmission Provider's Interconnection Facilities or Network Upgrades by the applicable dates, shall be an amount equal to ½ of 1 percent per day of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades, in the aggregate, for which Transmission Provider has assumed responsibility to design, procure and construct.

However, in no event shall the total liquidated damages exceed 20 percent of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades for which Transmission Provider has assumed responsibility to design, procure, and construct. The foregoing payments will be made by Transmission Provider to Interconnection Customer as just compensation for the damages caused to Interconnection Customer, which actual damages are uncertain and impossible to determine at this time, and as reasonable liquidated damages, but not as a penalty or a method to secure performance of this LGIA. Liquidated damages, when the Parties agree to them, are the exclusive remedy for the Transmission Provider's failure to meet its schedule.

No liquidated damages shall be paid to Interconnection Customer if: (1) Interconnection Customer is not ready to commence use of Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for the Large Generating Facility's Trial Operation or to export power from the Large Generating Facility on the specified dates, unless Interconnection Customer would have been able to commence use of Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for Large Generating Facility's Trial Operation or to export power from the Large Generating Facility, but for Transmission Provider's delay; (2) Transmission Provider's failure to meet the specified dates is the result of the action or inaction of Interconnection Customer or any other Interconnection Customer who has entered into an LGIA with Transmission Provider or any cause beyond

Transmission Provider's reasonable control or reasonable ability to cure; (3) the Interconnection Customer has assumed responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades; or (4) the Parties have otherwise agreed.

5.4 Power System Stabilizers. The Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with the guidelines and procedures established by the Applicable Reliability Council. Transmission Provider reserves the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative. The requirements of this paragraph shall not apply to wind generators.

5.5 Equipment Procurement. If responsibility for construction of Transmission Provider's Interconnection Facilities or Network Upgrades is to be borne by Transmission Provider, then Transmission Provider shall commence design of Transmission Provider's Interconnection Facilities or Network Upgrades and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

5.5.1 Transmission Provider has completed the Facilities Study pursuant to the Facilities Study Agreement;

5.5.2 Transmission Provider has received written authorization to proceed with design and procurement from Interconnection Customer by the date specified in Appendix B, Milestones; and

5.5.3 Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.6 Construction Commencement. Transmission Provider shall commence construction of Transmission Provider's Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:

5.6.1 Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;

5.6.2 Necessary real property rights and rights-of-way have been obtained, to the

extent required for the construction of a discrete aspect of Transmission Provider's Interconnection Facilities and Network Upgrades;

5.6.3 Transmission Provider has received written authorization to proceed with construction from Interconnection Customer by the date specified in Appendix B, Milestones; and

5.6.4 Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.7 Work Progress. The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, at any time, request a progress report from the other Party. If, at any time, Interconnection Customer determines that the completion of Transmission Provider's Interconnection Facilities will not be required until after the specified In-Service Date, Interconnection Customer will provide written notice to Transmission Provider of such later date upon which the completion of Transmission Provider's Interconnection Facilities will be required.

5.8 Information Exchange. As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with Transmission Provider's Transmission System, and shall work diligently and in good faith to make any necessary design changes.

5.9 Other Interconnection Options

5.9.1. Limited Operation. If any of Transmission Provider's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Large Generating Facility, Transmission Provider shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Large Generating Facility and Interconnection Customer's Interconnection Facilities may operate prior to the completion of Transmission Provider's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA. Transmission Provider shall permit Interconnection Customer to operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.

5.9.2 Provisional Interconnection Service. Upon the request of

Interconnection Customer, and prior to completion of requisite Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities Transmission Provider may execute a Provisional Large Generator Interconnection Agreement or Interconnection Customer may request the filing of an unexecuted Provisional Large Generator Interconnection Agreement with the Interconnection Customer for limited Interconnection Service at the discretion of Transmission Provider based upon an evaluation that will consider the results of available studies. Transmission Provider shall determine, through available studies or additional studies as necessary, whether stability, short circuit, thermal, and/or voltage issues would arise if Interconnection Customer interconnects without modifications to the Generating Facility or Transmission System. Transmission Provider shall determine whether any Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities that are necessary to meet the requirements of NERC, or any applicable Regional Entity for the interconnection of a new, modified and/or expanded Generating Facility are in place prior to the commencement of Interconnection Service from the Generating Facility. Where available studies indicate that such, Interconnection Facilities, Network Upgrades, Distribution Upgrades, and/or System Protection Facilities that are required for the interconnection of a new, modified and/or expanded Generating Facility are not currently in place, Transmission Provider will perform a study, at the Interconnection Customer's expense, to confirm the facilities that are required for Provisional Interconnection Service. The maximum permissible output of the Generating Facility in the Provisional Large Generator Interconnection Agreement shall be studied and updated whenever changes experienced or projected to occur on the system warrant reevaluation of the maximum permissible output. Interconnection Customer assumes all risk and liabilities with respect to changes between the Provisional Large Generator Interconnection Agreement and the Large Generator Interconnection Agreement, including changes in output limits and Interconnection Facilities, Network Upgrades, Distribution Upgrades, and/or System Protection Facilities cost responsibilities.

5.10 Interconnection Customer's Interconnection Facilities ('ICIF'). Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.10.1 Interconnection Customer's Interconnection Facility Specifications. Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Transmission Provider at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. Transmission Provider shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

5.10.2 Transmission Provider's Review. Transmission Provider's review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be required by Transmission Provider, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider.

5.10.3 ICIF Construction. The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information and documents for the ICIF, such as: a one-line diagram, a site plan showing the Large Generating Facility and the ICIF, plan and elevation drawings showing the layout of the ICIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with Interconnection Customer's step-up transformers, the facilities connecting the Large Generating Facility to the step-up transformers and the ICIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Large Generating Facility. The Interconnection Customer shall provide Transmission Provider specifications for the excitation system, automatic voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

5.11 Transmission Provider's Interconnection Facilities Construction. Transmission Provider's Interconnection Facilities shall be designed and

constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Transmission Provider shall deliver to Interconnection Customer the following "as-built" drawings, information and documents for Transmission Provider's Interconnection Facilities (include appropriate drawings and relay diagrams).

Transmission Provider will obtain control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities.

5.12 Access Rights. Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish at no cost to the other Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large Generating Facility with the Transmission System; (ii) operate and maintain the Large Generating Facility, the Interconnection Facilities and the Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this LGIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.

5.13 Lands of Other Property Owners. If any part of Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or Transmission Provider or Transmission Owner, Transmission Provider or Transmission Owner shall at Interconnection Customer's expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades upon such property.

5.14 Permits. Transmission Provider or Transmission Owner and Interconnection Customer shall cooperate with each other in good faith in obtaining all permits, licenses and authorizations that are necessary to accomplish the interconnection in

compliance with Applicable Laws and Regulations. With respect to this paragraph, Transmission Provider or Transmission Owner shall provide permitting assistance to Interconnection Customer comparable to that provided to Transmission Provider's own, or an Affiliate's generation.

5.15 Early Construction of Base Case Facilities. Interconnection Customer may request Transmission Provider to construct, and Transmission Provider shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Network Upgrades required for Interconnection Customer to be interconnected to the Transmission System which are included in the Base Case of the Facilities Study for Interconnection Customer, and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.

5.16 Suspension. Interconnection Customer reserves the right, upon written notice to Transmission Provider, to suspend at any time all work by Transmission Provider associated with the construction and installation of Transmission Provider's Interconnection Facilities and/or Network Upgrades required under this LGIA with the condition that Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Transmission Provider's safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Transmission Provider (i) has incurred pursuant to this LGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Transmission Provider cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Transmission Provider shall obtain Interconnection Customer's authorization to do so.

Transmission Provider shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by Transmission Provider required under this LGIA pursuant to this Article 5.16, and has not requested Transmission Provider to recommence the work required under this LGIA on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Transmission Provider, if no effective date is specified.

5.17 Taxes.

5.17.1 Interconnection Customer Payments Not Taxable. The Parties intend that all payments or property transfers made by Interconnection Customer to Transmission Provider for the installation of Transmission Provider's Interconnection Facilities and the Network Upgrades shall be non-taxable, either as contributions to capital, or as an advance, in accordance with the Internal Revenue Code and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the Internal Revenue Code and any applicable state income tax laws.

5.17.2 Representations and Covenants. In accordance with IRS Notice 2001-82 and IRS Notice 88-129, Interconnection Customer represents and covenants that (i) ownership of the electricity generated at the Large Generating Facility will pass to another party prior to the transmission of the electricity on the Transmission System, (ii) for income tax purposes, the amount of any payments and the cost of any property transferred to Transmission Provider for Transmission Provider's Interconnection Facilities will be capitalized by Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of Transmission Provider's Interconnection Facilities that is a "dual-use intertie," within the meaning of IRS Notice 88-129, is reasonably expected to carry only a de minimis amount of electricity in the direction of the Large Generating Facility. For this purpose, "de minimis amount" means no more than 5 percent of the total power flows in both directions, calculated in accordance with the "5 percent test" set forth in IRS Notice 88-129. This is not intended to be an exclusive list of the relevant conditions that must be met to conform to IRS requirements for non-taxable treatment.

At Transmission Provider's request, Interconnection Customer shall provide Transmission Provider with a report from an independent engineer confirming its representation in clause (iii), above. Transmission Provider represents and covenants that the cost of Transmission Provider's Interconnection Facilities paid for by Interconnection Customer will have no net effect on the base upon which rates are determined.

5.17.3 Indemnification for the Cost Consequences of Current Tax

Liability Imposed Upon the Transmission Provider. Notwithstanding Article 5.17.1, Interconnection Customer shall protect, indemnify and hold harmless Transmission Provider from the cost consequences of any current tax liability imposed against Transmission Provider as the result of payments or property transfers made by Interconnection Customer to Transmission Provider under this LGIA for Interconnection Facilities, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Transmission Provider.

Transmission Provider shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection Customer under this LGIA unless (i) Transmission Provider has determined, in good faith, that the payments or property transfers made by Interconnection Customer to Transmission Provider should be reported as income subject to taxation or (ii) any Governmental Authority directs Transmission Provider to report payments or property as income subject to taxation; provided, however, that Transmission Provider may require Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to Transmission Provider (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 5.17. Interconnection Customer shall reimburse Transmission Provider for such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within thirty (30) Calendar Days of receiving written notification from Transmission Provider of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten year testing period and the applicable statute of limitation, as it may be extended by Transmission Provider upon request of the IRS, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 5.17.

5.17.4 **Tax Gross-Up Amount**. Interconnection Customer's liability for the cost consequences of any current tax liability under this Article 5.17 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that Interconnection Customer will pay Transmission Provider, in addition to the amount paid for the Interconnection Facilities and Network Upgrades, an

amount equal to (1) the current taxes imposed on Transmission Provider ("Current Taxes") on the excess of (a) the gross income realized by Transmission Provider as a result of payments or property transfers made by Interconnection Customer to Transmission Provider under this LGIA (without regard to any payments under this Article 5.17) (the "Gross Income Amount") over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the "Present Value Depreciation Amount"), plus (2) an additional amount sufficient to permit Transmission Provider to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1).

For this purpose, (i) Current Taxes shall be computed based on Transmission Provider's composite federal and state tax rates at the time the payments or property transfers are received and Transmission Provider will be treated as being subject to tax at the highest marginal rates in effect at that time (the "Current Tax Rate"), and (ii) the Present Value Depreciation Amount shall be computed by discounting Transmission Provider's anticipated tax depreciation deductions as a result of such payments or property transfers by Transmission Provider's current weighted average cost of capital. Thus, the formula for calculating Interconnection Customer's liability to Transmission Owner pursuant to this Article 5.17.4 can be expressed as follows: (Current Tax Rate x (Gross Income Amount - Present Value of Tax Depreciation))/(1Current Tax Rate). Interconnection Customer's estimated tax liability in the event taxes are imposed shall be stated in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.17.5 **Private Letter Ruling or Change or Clarification of Law**. At Interconnection Customer's request and expense, Transmission Provider shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Interconnection Customer to Transmission Provider under this LGIA are subject to federal income taxation. Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Interconnection Customer's knowledge. Transmission Provider and Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

Transmission Provider shall keep Interconnection Customer fully informed of the status of such request for a private letter ruling and shall execute either a privacy act waiver or a limited power of attorney, in a form acceptable to the IRS, that authorizes Interconnection Customer to participate in all discussions with the IRS regarding such request for a private letter ruling. Transmission Provider shall allow Interconnection Customer to attend all meetings with IRS officials about the request and shall permit Interconnection Customer to prepare the initial drafts of any follow-up letters in connection with the request.

5.17.6 **Subsequent Taxable Events**. If, within 10 years from the date on which the relevant Transmission Provider's Interconnection Facilities are placed in service, (i) Interconnection Customer Breaches the covenants contained in Article 5.17.2, (ii) a "disqualification event" occurs within the meaning of IRS Notice 88-129, or (iii) this LGIA terminates and Transmission Provider retains ownership of the Interconnection Facilities and Network Upgrades, Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on Transmission Provider, calculated using the methodology described in Article 5.17.4 and in accordance with IRS Notice 90-60.

5.17.7 **Contests**. In the event any Governmental Authority determines that Transmission Provider's receipt of payments or property constitutes income that is subject to taxation, Transmission Provider shall notify Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by Interconnection Customer and at Interconnection Customer's sole expense, Transmission Provider may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Interconnection Customer's written request and sole expense, Transmission Provider may file a claim for refund with respect to any taxes paid under this Article 5.17, whether or not it has received such a determination. Transmission Provider reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but Transmission Provider shall keep Interconnection Customer informed, shall consider in good faith suggestions from Interconnection Customer about the conduct of the contest, and shall reasonably permit Interconnection Customer or an Interconnection Customer representative to attend contest

proceedings.

Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement or other contest. At any time during the contest, Transmission Provider may agree to a settlement either with Interconnection Customer's consent or after obtaining written advice from nationally-recognized tax counsel, selected by Transmission Provider, but reasonably acceptable to Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation.

Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully grossed-up bases to cover any related cost consequences of the current tax liability. Any settlement without Interconnection Customer's consent or such written advice will relieve Interconnection Customer from any obligation to indemnify Transmission Provider for the tax at issue in the contest.

5.17.8 **Refund**. In the event that (a) a private letter ruling is issued to Transmission Provider which holds that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Provider under the terms of this LGIA is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Transmission Provider in good faith that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Provider under the terms of this LGIA is not taxable to Transmission Provider, (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by Interconnection Customer to Transmission Provider are not subject to federal income tax, or (d) if Transmission Provider receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by Interconnection Customer to Transmission Provider pursuant to this LGIA, Transmission Provider shall promptly refund to Interconnection Customer the following:

(i) any payment made by Interconnection Customer under this Article 5.17 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon,

(ii) interest on any amounts paid by Interconnection Customer to Transmission Provider for such taxes which Transmission Provider did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC's regulations at 18 CFR §35.19a(a)(2)(iii) from the date payment was made by Interconnection Customer to the date Transmission Provider refunds such payment to Interconnection Customer, and

(iii) with respect to any such taxes paid by Transmission Provider, any refund or credit Transmission Provider receives or to which it may be entitled from any Governmental Authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to Transmission Provider for such overpayment of taxes (including any reduction in interest otherwise payable by Transmission Provider to any Governmental Authority resulting from an offset or credit); provided, however, that Transmission Provider will remit such amount promptly to Interconnection Customer only after and to the extent that Transmission Provider has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to Transmission Provider's Interconnection Facilities.

The intent of this provision is to leave the Parties, to the extent practicable, in the event that no taxes are due with respect to any payment for Interconnection Facilities and Network Upgrades hereunder, in the same position they would have been in had no such tax payments been made.

5.17.9 **Taxes Other Than Income Taxes**. Upon the timely request by Interconnection Customer, and at Interconnection Customer's sole expense, Transmission Provider may appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Transmission Provider for which Interconnection Customer may be required to reimburse Transmission Provider under the terms of this LGIA. Interconnection Customer shall pay to Transmission Provider on a

periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Interconnection Customer and Transmission Provider shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Interconnection Customer to Transmission Provider for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Transmission Provider.

5.17.10 **Transmission Owners Who Are Not Transmission Providers**. If Transmission Provider is not the same entity as the Transmission Owner, then (i) all references in this Article 5.17 to Transmission Provider shall be deemed also to refer to and to include the Transmission Owner, as appropriate, and (ii) this LGIA shall not become effective until such Transmission Owner shall have agreed in writing to assume all of the duties and obligations of Transmission Provider under this Article 5.17 of this LGIA.

5.18 **Tax Status**. Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this LGIA is intended to adversely affect any Transmission Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds.

5.19 **Modification**.

5.19.1 **General**. Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide to the other Party sufficient information regarding such modification so that the other Party may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Large Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period

upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

In the case of Large Generating Facility modifications that do not require Interconnection Customer to submit an Interconnection Request, Transmission Provider shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the Transmission System, Transmission Provider's Interconnection Facilities or Network Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

5.19.2 **Standards**. Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this LGIA and Good Utility Practice.

5.19.3 **Modification Costs**. Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that Transmission Provider makes to Transmission Provider's Interconnection Facilities or the Transmission System to facilitate the interconnection of a third party to Transmission Provider's Interconnection Facilities or the Transmission System, or to provide transmission service to a third party under Transmission Provider's Tariff. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to Interconnection Customer's Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer's Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

Article 6. Testing and Inspection

6.1 **Pre-Commercial Operation Date Testing and Modifications**. Prior to the Commercial Operation Date, Transmission Provider shall test Transmission Provider's Interconnection Facilities and Network Upgrades and Interconnection Customer shall test the Large Generating Facility and Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection Customer shall generate test energy at the Large Generating Facility only if it has arranged for the delivery of such test energy.

6.2 **Post-Commercial Operation Date Testing and Modifications**. Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Large Generating Facility with the Transmission System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.

6.3 **Right to Observe Testing**. Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.

6.4 **Right to Inspect**. Each Party shall have the right, but shall have no obligation to: (i) observe the other Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; (ii) review the settings of the other Party's System Protection Facilities and other protective equipment; and (iii) review the other Party's maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. For any Interconnection Customer equipment or facilities housed within Transmission Provider's control building or at other Transmission Provider facilities, Interconnection Customer shall promptly provide Transmission Provider, upon request, documentation demonstrating compliance with NERC Reliability Standards in connection with any such equipment or facilities of Interconnection Customer. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be deemed to be Confidential Information and treated pursuant to Article 22 of this LGIA.

Article 7. Metering

7.1 **General**. Each Party shall comply with the Applicable Reliability Council requirements. Unless otherwise agreed by the Parties, Transmission Provider shall install Metering Equipment at the Point of Interconnection prior to any operation of the Large Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Large Generating Facility shall be measured at or, at Transmission Provider's option,

compensated to, the Point of Interconnection. Transmission Provider shall provide metering quantities, in analog and/or digital form, to Interconnection Customer upon request. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.

7.2 **Check Meters**. Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check Transmission Provider's meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this LGIA, except as provided in Article 7.4 below. The check meters shall be subject at all reasonable times to inspection and examination by Transmission Provider or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.

7.3 **Standards**. Transmission Provider shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards.

7.4 **Testing of Metering Equipment**. Transmission Provider shall inspect and test all Transmission Provider-owned Metering Equipment upon installation and at least once every two (2) years thereafter. If requested to do so by Interconnection Customer, Transmission Provider shall, at Interconnection Customer's expense, inspect or test Metering Equipment more frequently than every two (2) years. Transmission Provider shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer's expense, in order to provide accurate metering, unless the inaccuracy or defect is due to Transmission Provider's failure to maintain, then Transmission Provider shall pay. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than two percent from the measurement made by the standard meter used in the test, Transmission Provider shall adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using Interconnection Customer's check meters, if installed. If no such check meters are installed or if the period cannot be reasonably ascertained, the adjustment shall be for the period immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last previous test of the Metering Equipment.

7.5 **Metering Data**. At Interconnection Customer's expense, the metered data shall be telemetered to one or more locations designated by Transmission Provider and one

or more locations designated by Interconnection Customer. Such telemetered data shall be used, under normal operating conditions, as the official measurement of the amount of energy delivered from the Large Generating Facility to the Point of Interconnection.

Article 8. Communications

8.1 Interconnection Customer Obligations. Interconnection Customer shall maintain satisfactory operating communications with Transmission Provider's Transmission System dispatcher or representative designated by Transmission Provider. Interconnection Customer shall provide standard voice line, dedicated voice line and facsimile communications at its Large Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to Transmission Provider as set forth in Appendix D, Security Arrangements Details. The data circuit(s) shall extend from the Large Generating Facility to the location(s) specified by Transmission Provider. Any required maintenance of such communications equipment shall be performed by Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.

8.2 Remote Terminal Unit. Prior to the Initial Synchronization Date of the Large Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by Transmission Provider at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Transmission Provider through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The communication protocol for the data circuit(s) shall be specified by Transmission Provider. Instantaneous bi-directional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by Transmission Provider.

Each Party will promptly advise the other Party if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.

8.3 No Annexation. Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise

mutually agreed by the Parties.

8.4 Provision of Data from a Variable Energy Resource. The Interconnection Customer whose Generating Facility is a Variable Energy Resource shall provide meteorological and forced outage data to the Transmission Provider to the extent necessary for the Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The Interconnection Customer with a Variable Energy Resource having wind as the energy source, at a minimum, will be required to provide the Transmission Provider with site-specific meteorological data including: temperature, wind speed, wind direction, and atmospheric pressure. The Interconnection Customer with a Variable Energy Resource having solar as the energy source, at a minimum, will be required to provide the Transmission Provider with site-specific meteorological data including: temperature, atmospheric pressure, and irradiance. The Transmission Provider and Interconnection Customer whose Generating Facility is a Variable Energy Resource shall mutually agree to any additional meteorological data that are required for the development and deployment of a power production forecast. The Interconnection Customer whose Generating Facility is a Variable Energy Resource also shall submit data to the Transmission Provider regarding all forced outages to the extent necessary for the Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The exact specifications of the meteorological and forced outage data to be provided by the Interconnection Customer to the Transmission Provider, including the frequency and timing of data submittals, shall be made taking into account the size and configuration of the Variable Energy Resource, its characteristics, location, and its importance in maintaining generation resource adequacy and transmission system reliability in its area. All requirements for meteorological and forced outage data must be commensurate with the power production forecasting employed by the Transmission Provider. Such requirements for meteorological and forced outage data are set forth in Appendix C, Interconnection Details, of this LGIA, as they may change from time to time.

Article 9. Operations

9.1 General. Each Party shall comply with the Applicable Reliability Council requirements. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

9.2 Control Area Notification. At least three months before Initial Synchronization Date, Interconnection Customer shall notify Transmission Provider in writing of the Control Area in which the Large Generating Facility will be located. If

Interconnection Customer elects to locate the Large Generating Facility in a Control Area other than the Control Area in which the Large Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this LGIA, and remote Control Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the other Control Area.

9.3 Transmission Provider Obligations. Transmission Provider shall cause the Transmission System and Transmission Provider's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA. Transmission Provider may provide operating instructions to Interconnection Customer consistent with this LGIA and Transmission Provider's operating protocols and procedures as they may change from time to time. Transmission Provider will consider changes to its operating protocols and procedures proposed by Interconnection Customer.

9.4 Interconnection Customer Obligations. Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA. Interconnection Customer shall operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Control Area of which it is part, as such requirements are set forth in Appendix C, Interconnection Details, of this LGIA. Appendix C, Interconnection Details, will be modified to reflect changes to the requirements as they may change from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this LGIA.

9.5 Start-Up and Synchronization. Consistent with the Parties' mutually acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Large Generating Facility to Transmission Provider's Transmission System.

9.6 Reactive Power and Primary Frequency Response.

9.6.1 Power Factor Design Criteria.

9.6.1.1 Synchronous Generation. Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has

established different requirements that apply to all generators in the Control Area on a comparable basis.

9.6.1.2 Non-Synchronous Generation. Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery to the Point of Interconnection at continuous rated power output at a power factor within the range of 0.95 leading to 0.95 lagging. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability. This requirement shall apply to newly interconnecting non-synchronous generators. Transmission Provider may request of Interconnection Customer during the term of this Agreement evidence of continued satisfaction of the power factor range requirement at the Point of Interconnection. Interconnection Customer promptly shall provide such evidence, if requested. To the extent that Transmission Provider has the capability to independently monitor at the Point of Interconnection the Interconnection Customer's power range, it shall be free to do so, and may alert the Interconnection Customer to any deviations it identifies.

9.6.2 Voltage Schedules. Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Transmission Provider shall require Interconnection Customer to operate the Large Generating Facility to produce or absorb reactive power within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). Transmission Provider's voltage schedules shall treat all sources of reactive power in the Control Area in an equitable and not unduly discriminatory manner. Transmission Provider shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one (1) day in advance, and may make changes to such schedules as necessary to maintain the reliability of the Transmission System. Interconnection Customer shall operate the Large Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the System Operator.

9.6.2.1 **Voltage Regulators**. Whenever the Large Generating Facility is operated in parallel with the Transmission System and voltage regulators are capable of operation, Interconnection Customer shall operate the Large Generating Facility with its voltage regulators in automatic operation. If the Large Generating Facility's voltage regulators are not capable of such automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative, and ensure that such Large Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Large Generating Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the Transmission System or trip any generating unit comprising the Large Generating Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators in the Control Area on a comparable basis.

9.6.3 **Payment for Reactive Power**. Transmission Provider is required to pay Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Large Generating Facility when Transmission Provider requests Interconnection Customer to operate its Large Generating Facility outside the range specified in Article 9.6.1, and Appendix G, provided that if Transmission Provider pays its own or affiliated generators for reactive power service within the specified range, it must also pay Interconnection Customer. Payments shall be pursuant to Article 11.6 or such other agreement to which the Parties have otherwise agreed.

9.6.4 **Primary Frequency Response.** Interconnection Customer shall ensure the primary frequency response capability of its Large Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term "functioning governor or equivalent controls" as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Large Generating Facility's real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection Customer is required to install a governor or equivalent controls with the

capability of operating: (1) with a maximum 5 percent droop and ±0.036 Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from an approved NERC Reliability Standard providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Large Generating Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Large Generating Facility's real power output in response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected change in the Large Generating Facility's real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify Transmission Provider that the primary frequency response capability of the Large Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Interconnection Customer shall operate the Large Generating Facility consistent with the provisions specified in Sections 9.6.4.1 and 9.6.4.2 and elsewhere, including Appendix G of this Agreement. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Large Generating Facilities.

9.6.4.1 **Governor or Equivalent Controls.** Whenever the Large Generating Facility is operated in parallel with the Transmission System, Interconnection Customer shall operate the Large Generating Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall: (1) in coordination with Transmission Provider and/or the relevant balancing authority, set the deadband parameter to: (1) a maximum of ±0.036 Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop and deadband settings from an approved NERC Reliability Standard that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the

status and settings of the governor or equivalent controls to Transmission Provider and/or the relevant balancing authority upon request. If Interconnection Customer needs to operate the Large Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify Transmission Provider and the relevant balancing authority, and provide both with the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to keep outages of the Large Generating Facility's governor or equivalent controls to a minimum whenever the Large Generating Facility is operated in parallel with the Transmission System.

9.6.4.2 **Timely and Sustained Response.** Interconnection Customer shall ensure that the Large Generating Facility's real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Large Generating Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Large Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. A Commission-approved Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

9.6.4.3 **Exemptions**. Large Generating Facilities that are regulated

by the United States Nuclear Regulatory Commission shall be exempt from Sections 9.6.4, 9.6.4.1, and 9.6.4.2 of this Agreement. Large Generating Facilities that are behind the meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in Section 9.6.4, but shall be otherwise exempt from the operating requirements in Sections 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.4 of this Agreement.

9.6.4.4 **Electric Storage Resources**. Interconnection Customer interconnecting an electric storage resource shall establish an operating range in Appendix C of its LGIA that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Sections 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.3 of this Agreement. Appendix C shall specify whether the operating range is static or dynamic, and shall consider (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by Transmission Provider and Interconnection Customer, and in consultation with the relevant transmission owner or balancing authority as appropriate. If the operating range is dynamic, then Appendix C must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with Section 9.6.4.2 of this Agreement when it is online and dispatched to inject electricity to the

Transmission System and/or receive electricity from the Transmission System. This excludes circumstances when the electric storage resource is not dispatched to inject electricity to the Transmission System and/or dispatched to receive electricity from the Transmission System. If Interconnection Customer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Interconnection Customer's electric storage resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

9.7 Outages and Interruptions.

9.7.1 Outages.

9.7.1.1 **Outage Authority and Coordination**. Each Party may in accordance with Good Utility Practice in coordination with the other Party remove from service any of its respective Interconnection Facilities or Network Upgrades that may impact the other Party's facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service will use Reasonable Efforts to schedule such removal on a date and time mutually acceptable to the Parties. In all circumstances, any Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Party of such removal.

9.7.1.2 **Outage Schedules**. Transmission Provider shall post scheduled outages of its transmission facilities on the OASIS. Interconnection Customer shall submit its planned maintenance schedules for the Large Generating Facility to Transmission Provider for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its planned maintenance schedules as necessary. Transmission Provider may request Interconnection Customer to reschedule its maintenance as necessary to maintain the

reliability of the Transmission System; provided, however, adequacy of generation supply shall not be a criterion in determining Transmission System reliability. Transmission Provider shall compensate Interconnection Customer for any additional direct costs that Interconnection Customer incurs as a result of having to reschedule maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent Transmission Provider's request to reschedule maintenance. Interconnection Customer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, Interconnection Customer had modified its schedule of maintenance activities.

9.7.1.3 **Outage Restoration**. If an outage on a Party's Interconnection Facilities or Network Upgrades adversely affects the other Party's operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, to the extent such information is known, information on the nature of the Emergency Condition, an estimated time of restoration, and any corrective actions required. Initial verbal notice shall be followed up as soon as practicable with written notice explaining the nature of the outage.

9.7.2 **Interruption of Service**. If required by Good Utility Practice to do so, Transmission Provider may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect Transmission Provider's ability to perform such activities as are necessary to safely and reliably operate and maintain the Transmission System. The following provisions shall apply to any interruption or reduction permitted under this Article 9.7.2:

9.7.2.1 The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice;

9.7.2.2 Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all generating facilities directly connected to the Transmission

System;

9.7.2.3 When the interruption or reduction must be made under circumstances which do not allow for advance notice, Transmission Provider shall notify Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written notification as soon as practicable;

9.7.2.4 Except during the existence of an Emergency Condition, when the interruption or reduction can be scheduled without advance notice, Transmission Provider shall notify Interconnection Customer in advance regarding the timing of such scheduling and further notify Interconnection Customer of the expected duration. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to Interconnection Customer and Transmission Provider;

9.7.2.5 The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Large Generating Facility, Interconnection Facilities, and the Transmission System to their normal operating state, consistent with system conditions and Good Utility Practice.

9.7.3 Under-Frequency and Over Frequency Conditions. The Transmission System is designed to automatically activate a load-shed program as required by the Applicable Reliability Council in the event of an under-frequency system disturbance. Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Large Generating Facility as required by the Applicable Reliability Council to ensure "ride through" capability of the Transmission System. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with Transmission Provider in accordance with Good Utility Practice. The term "ride through" as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the Transmission System during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice. Dynamic response of the active power-frequency control system of the Large Generating Facility, as measured at the Point of

Interconnection, shall have the capability to meet or exceed the performance specified in Appendix G.

9.7.4 System Protection and Other Control Requirements.

9.7.4.1 **System Protection Facilities**. Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider shall install at Interconnection Customer's expense any System Protection Facilities that may be required on Transmission Provider's Interconnection Facilities or the Transmission System as a result of the interconnection of the Large Generating Facility and Interconnection Customer's Interconnection Facilities.

9.7.4.2 Each Party's protection facilities shall be designed and coordinated with other systems in accordance with Good Utility Practice.

9.7.4.3 Each Party shall be responsible for protection of its facilities consistent with Good Utility Practice.

9.7.4.4 Each Party's protective relay design shall incorporate the necessary test switches to perform the tests required in Article 6. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of Interconnection Customer's units.

9.7.4.5 Each Party will test, operate and maintain System Protection Facilities in accordance with Good Utility Practice. Each Party will be responsible for adherence to the testing and maintenance required under the NERC Reliability Standards and other requirements with respect to the Protection Facilities it owns. It is contemplated that certain components of Protection Facilities owned by Interconnection Customer, including relays associated with gen-tie breaker(s), may be housed in the control building within the fenced perimeter of the new substation to be constructed under this Agreement. The new substation is on the Transmission Provider's side of

the PCO; however, Interconnection Customer shall own and have compliance responsibility for any such Protection Facility components. Transmission Provider shall allow for Interconnection Customer's access to such components, upon reasonable advance written request of Interconnection Customer, for such purpose.

9.7.4.6 Prior to the In-Service Date, and again prior to the Commercial Operation Date, each Party or its agent shall perform a complete calibration test and functional trip test of the System Protection Facilities. At intervals suggested by Good Utility Practice and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its System Protection Facilities. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

9.7.5 Requirements for Protection. In compliance with Good Utility Practice, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the Transmission System not otherwise isolated by Transmission Provider's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Transmission System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Large Generating Facility and the Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Large Generating Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and Interconnection Customer's other equipment if conditions on the Transmission System could adversely affect the Large Generating Facility.

9.7.6 Power Quality. Neither Party's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance

with IEEE Standard 519, or any applicable superseding electric industry standard. In the event of a conflict between ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, ANSI Standard C84.1-1989, or the applicable superseding electric industry standard, shall control. Transmission Provider has the right to monitor and to give operating instructions to Interconnection Customer in situations in which the Large Generating Facility must reduce its output in order for the Transmission Provider to protect against adverse voltage-related impacts or other impacts that would put the transmission system at risk.

9.8 Switching and Tagging Rules. Each Party shall provide the other Party a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

9.9 Use of Interconnection Facilities by Third Parties.

9.9.1 Purpose of Interconnection Facilities. Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Large Generating Facility to the Transmission System and shall be used for no other purpose.

9.9.2 Third Party Users. If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use Transmission Provider's Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to FERC for resolution.

9.10 Disturbance Analysis Data Exchange. The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or Transmission Provider's Transmission System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.

Article 10. Maintenance

10.1 Transmission Provider Obligations. Transmission Provider shall maintain the Transmission System and Transmission Provider's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.2 Interconnection Customer Obligations. Interconnection Customer shall maintain the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.3 Coordination. The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Large Generating Facility and the Interconnection Facilities.

10.4 Secondary Systems. Each Party shall cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

10.5 Operating and Maintenance Expenses. Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of Transmission Provider's Interconnection Facilities.

Article 11. Performance Obligation

11.1 Interconnection Customer Interconnection Facilities. Interconnection Customer shall design, procure, construct, install, own and/or control Interconnection Customer Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at its sole expense.

11.2 Transmission Provider's Interconnection Facilities. Transmission Provider or Transmission Owner shall design, procure, construct, install, own and/or control the Transmission Provider's Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at the sole expense of the Interconnection Customer.

11.3 Network Upgrades and Distribution Upgrades. Transmission Provider or Transmission Owner shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades. The Interconnection Customer shall be responsible for all costs related to Distribution Upgrades. Unless Transmission Provider or Transmission Owner elects to fund the capital for the Network Upgrades, they shall be solely funded by Interconnection Customer.

11.4 Transmission Credits.

11.4.1 Repayment of Amounts Advanced for Network Upgrades. Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to Transmission Provider and Affected System Operator, if any, for the Network Upgrades, including any tax gross-up or other tax-related payments associated with Network Upgrades, and not refunded to Interconnection Customer pursuant to Article 5.17.8 or otherwise, to be paid to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under Transmission Provider's Tariff and Affected System's Tariff for transmission services with respect to the Large Generating Facility. Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. Interconnection Customer may assign such repayment rights to any person.

Notwithstanding the foregoing, Interconnection Customer, Transmission Provider, and Affected System Operator may adopt any alternative payment schedule that is mutually agreeable so long as Transmission Provider and Affected System Operator take one of the following actions no later than five years from the Commercial Operation Date: (1) return to Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that Transmission Provider or Affected System Operator will continue to provide payments to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the Commercial Operation Date.

If the Large Generating Facility fails to achieve commercial operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, Transmission Provider and Affected System Operator shall at that time reimburse Interconnection Customer for the amounts advanced for the Network Upgrades. Before any such reimbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the Generating Facility, if different, is responsible for identifying the entity to which reimbursement must be made.

11.4.2 Special Provisions for Affected Systems. Unless Transmission Provider provides, under the LGIA, for the repayment of amounts advanced to Affected System Operator for Network Upgrades, Interconnection Customer and Affected System Operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by Interconnection Customer to the Affected System Operator as well as the repayment by the Affected System Operator.

11.4.3 Notwithstanding any other provision of this LGIA, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that Interconnection Customer, shall be entitled to, now or in the future under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the

Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Large Generating Facility.

11.5 Provision of Security. At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, Interconnection Customer shall provide Transmission Provider, at Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Transmission Provider and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to Transmission Provider for these purposes.

In addition:

11.5.1 The guarantee must be made by an entity that meets the creditworthiness requirements of Transmission Provider, and contain terms and conditions that guarantee payment of any amount that may be due from Interconnection Customer, up to an agreed-to maximum amount.

11.5.2 The letter of credit must be issued by a financial institution reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

11.5.3 The surety bond must be issued by an insurer reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

11.6 Interconnection Customer Compensation. Except in circumstances in which Transmission Provider acts pursuant to NERC Reliability Standards or NERC-posted performance guidelines for inverter-based resources, if Transmission Provider requests or directs Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for Reactive Power), or 13.5.1 of this LGIA, Transmission Provider shall compensate Interconnection Customer in accordance with Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to an RTO or ISO FERC-approved rate schedule. Interconnection Customer shall serve Transmission Provider or RTO or ISO with any filing of a proposed rate schedule at the time of such filing with

FERC. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb any Reactive Power under this LGIA, Transmission Provider agrees to compensate Interconnection Customer in such amount as would have been due Interconnection Customer had the rate schedule been in effect at the time service commenced; provided, however, that such rate schedule must be filed at FERC or other appropriate Governmental Authority within sixty (60) Calendar Days of the commencement of service.

11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition. Transmission Provider or RTO or ISO shall compensate Interconnection Customer for its provision of real and reactive power and other Emergency Condition services that Interconnection Customer provides to support the Transmission System during an Emergency Condition in accordance with Article 11.6.

Article 12. Invoice

12.1 General. Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this LGIA, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

12.2 Final Invoice. Within six months after completion of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades, Transmission Provider shall provide an invoice of the final cost of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Transmission Provider shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

12.3 Payment. Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately

available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by either Party will not constitute a waiver of any rights or claims either Party may have under this LGIA.

12.4 Disputes. In the event of a billing dispute between Transmission Provider and Interconnection Customer, Transmission Provider shall continue to provide Interconnection Service under this LGIA as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Transmission Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then Transmission Provider may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accord with the methodology set forth in FERC's regulations at 18 CFR § 35.19a(a)(2)(iii).

Article 13. Emergencies

13.1 Definition. "Emergency Condition" shall mean a condition or situation: (i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (ii) that, in the case of Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (iii) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Large Generating Facility or Interconnection Customer's Interconnection Facilities' System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by this LGIA to possess black start capability.

13.2 Obligations. Each Party shall comply with the Emergency Condition procedures of the applicable ISO/RTO, NERC, the Applicable Reliability Council, Applicable Laws and Regulations, and any emergency procedures agreed to by the Joint Operating Committee.

13.3 Notice. Transmission Provider shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects Transmission Provider's Interconnection Facilities or the Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the

Large Generating Facility or Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Transmission Provider promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the Transmission System or Transmission Provider's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer's or Transmission Provider's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.

13.4 Immediate Action. Unless, in Interconnection Customer's reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Transmission Provider, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Large Generating Facility or Interconnection Customer's Interconnection Facilities in response to an Emergency Condition either declared by Transmission Provider or otherwise regarding the Transmission System.

13.5 Transmission Provider Authority.

13.5.1 General. Transmission Provider may take whatever actions or inactions with regard to the Transmission System or Transmission Provider's Interconnection Facilities it deems necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Transmission System or Transmission Provider's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

Transmission Provider shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider may, on the basis of technical considerations, require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, startup, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing Interconnection Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and Interconnection

Customer's Interconnection Facilities. Interconnection Customer shall comply with all of Transmission Provider's operating instructions concerning Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

13.5.2 **Reduction and Disconnection**. Transmission Provider may reduce Interconnection Service or disconnect the Large Generating Facility or Interconnection Customer's Interconnection Facilities, when such, reduction or disconnection is necessary under Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from any right of curtailment of Transmission Provider pursuant to Transmission Provider's Tariff. When Transmission Provider can schedule the reduction or disconnection in advance, Transmission Provider shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and Transmission Provider. Any reduction or disconnection shall continue only for so long as reasonably necessary under Good Utility Practice. The Parties shall cooperate with each other to restore the Large Generating Facility, the Interconnection Facilities, and the Transmission System to their normal operating state as soon as practicable consistent with Good Utility Practice.

13.6 **Interconnection Customer Authority**. Consistent with Good Utility Practice and the LGIA and the LGIP, Interconnection Customer may take actions or inactions with regard to the Large Generating Facility or Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Large Generating Facility or Interconnection Customer's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Transmission System and Transmission Provider's Interconnection Facilities. Transmission Provider shall use Reasonable Efforts to assist Interconnection Customer in such actions.

13.7 **Limited Liability**. Except as otherwise provided in Article 11.6.1 of this LGIA, neither Party shall be liable to the other for any action it takes in responding to an

Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.

Article 14. Regulatory Requirements and Governing Law

14.1 Regulatory Requirements. Each Party's obligations under this LGIA shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this LGIA shall require Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act, the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978.

14.2 Governing Law.

14.2.1 The validity, interpretation and performance of this LGIA and each of its provisions shall be governed by the laws of the state where the Point of Interconnection is located, without regard to its conflicts of law principles.

14.2.2 This LGIA is subject to all Applicable Laws and Regulations.

14.3.3 Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

Article 15. Notices.

15.1 General. Unless otherwise provided in this LGIA, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.

Either Party may change the notice information in this LGIA by giving five (5) Business Days written notice prior to the effective date of the change.

15.2 Billings and Payments. Billings and payments shall be sent to the addresses set out in Appendix F.

15.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F.

15.4 Operations and Maintenance Notice. Each Party shall notify the other Party in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10.

Article 16. Force Majeure

16.1 Force Majeure.

16.1.1 Economic hardship is not considered a Force Majeure event.

16.1.2 Neither Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

Article 17. Default

17.1 Default

17.1 General. No Default shall exist where such failure to discharge an

obligation (other than the payment of money) is the result of Force Majeure as defined in this LGIA or the result of an act of omission of the other Party. Upon a Breach, the non-breaching Party shall give written notice of such Breach to the breaching Party. Except as provided in Article 17.1.2, the breaching Party shall have thirty (30) Calendar Days from receipt of the Default notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

17.2 **Right to Terminate.** If a Breach is not cured as provided in this article, or if a Breach is not capable of being cured within the period provided for herein, the non-breaching Party shall have the right to declare a Default and terminate this LGIA by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this LGIA, to recover from the breaching 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 article will survive termination of this LGIA.

Article 18. Indemnity, Consequential Damages and Insurance

18.1 Indemnity. The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under this LGIA on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

18.1.1 **Indemnified Person**. If an Indemnified Person is entitled to indemnification under this Article 18 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 18.1, to assume the defense of such claim, such Indemnified Person may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

18.1.2 **Indemnifying Party**. If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Article 18, the amount owing to the Indemnified Person shall be the amount of such Indemnified Person's actual Loss, net of any insurance or other recovery.

18.1.3 **Indemnity Procedures**. Promptly after receipt by an Indemnified Person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Article 18.1 may apply, the Indemnified Person shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.

The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Person. If the defendants in any such action include one or more Indemnified Persons and the Indemnifying Party and if the Indemnified Person reasonably concludes that there may be legal defenses available to it and/or other Indemnified Persons which are different from or additional to those available to the Indemnifying Party, the Indemnified Person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Person or Indemnified Persons having such differing or additional legal defenses.

The Indemnified Person shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Person and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Person, or there exists a conflict or adversity of interest between the Indemnified Person and the Indemnifying Party, in such event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Person, and (ii) shall not settle or consent to the

entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Person, which shall not be reasonably withheld, conditioned or delayed.

18.2 Consequential Damages. Other than the Liquidated Damages heretofore described, in no event shall either Party be liable under any provision of this LGIA 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.

18.3 Insurance. Each party shall, at its own expense, maintain in force throughout the period of this LGIA, and until released by the other Party, the following minimum insurance coverages, with insurers authorized to do business in the state where the Point of Interconnection is located:

18.3.1 Employers' Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the state in which the Point of Interconnection is located.

18.3.2 Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of One Million Dollars ($1,000,000) per occurrence/One Million Dollars ($1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.

18.3.3 Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars ($1,000,000) per occurrence for bodily injury, including death, and property damage.

18.3.4 Excess Public Liability Insurance over and above the Employers' Liability Commercial General Liability and Comprehensive Automobile Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars ($20,000,000) per occurrence/Twenty Million Dollars ($20,000,000) aggregate.

18.3.5 The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Public Liability Insurance policies shall name the other Party, its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this LGIA against the Other Party Group and provide thirty (30) Calendar Days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.

18.3.6 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.

18.3.7 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this LGIA, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.

18.3.8 The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this LGIA.

18.3.9 Within ten (10) days following execution of this LGIA, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days

thereafter, each Party shall provide certification of all insurance required in this LGIA, executed by each insurer or by an authorized representative of each insurer.

18.3.10 Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.8 to the extent it maintains a self-insurance program; provided that, such Party's senior secured debt is rated at investment grade or better by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.8. For any period of time that a Party's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Articles 18.3.2 through 18.3.9. In the event that a Party is permitted to self-insure pursuant to this article, it shall notify the other Party that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 18.3.9.

18.3.11 The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this LGIA.

Article 19. Assignment

19.1 Assignment. This LGIA may be assigned by either Party only with the written consent of the other; provided that either Party may assign this LGIA without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this LGIA; and provided further that Interconnection Customer shall have the right to assign this LGIA, without the consent of Transmission Provider, for collateral security purposes to aid in providing financing for the Large Generating Facility, provided that Interconnection Customer will promptly notify Transmission Provider of any such assignment. Any financing arrangement entered into by Interconnection Customer pursuant to this article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify Transmission Provider of the date and particulars of any such exercise of assignment right(s), including providing the Transmission Provider with proof that it meets the requirements of Articles 11.5 and 18.3. Any attempted assignment

that violates this article is void and ineffective. Any assignment under this LGIA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

Article 20. Severability

20.1 Severability. If any provision in this LGIA is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this LGIA; provided that if Interconnection Customer (or any third party, but only if such third party is not acting at the direction of Transmission Provider) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

Article 21. Comparability

21.1 Comparability. The Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

Article 22. Confidentiality

22.1 Confidentiality. Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of this LGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Article 22 warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

The release of Confidential Information shall be subject to Applicable Laws and Regulations and Applicable Reliability Standards.

22.1.1 **Term**. During the term of this LGIA, and for a period of three (3) years after the expiration or termination of this LGIA, except as otherwise provided in this Article 22, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

22.1.2 **Scope**. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this LGIA; or (6) is required, in accordance with Article 22.1.7 of the LGIA, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

22.1.3 **Release of Confidential Information**. Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this LGIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily

responsible for any release of Confidential Information in contravention of this Article 22.

22.1.4 **Rights**. Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

22.1.5 **No Warranties**. By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

22.1.6 **Standard of Care**. Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this LGIA or its regulatory requirements.

22.1.7 **Order of Disclosure**. If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

22.1.8 **Termination of Agreement**. Upon termination of this LGIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.

22.1.9 **Remedies**. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 22, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.

22.1.10 **Disclosure to FERC, its Staff, or a State**. Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this LGIA, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this LGIA prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to

the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

22.1.11 Subject to the exception in Article 22.1.10, any information that a Party claims is competitively sensitive, commercial or financial information under this LGIA ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIA or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

Article 23. Environmental Releases

23.1 Each Party shall notify the other Party, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Large Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (i) provide the notice as soon as practicable,

provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

Article 24. Information Requirements

24.1 Information Acquisition. Transmission Provider and Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.

24.2 Information Submission by Transmission Provider. The initial information submission by Transmission Provider shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include Transmission System information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis Transmission Provider shall provide Interconnection Customer a status report on the construction and installation of Transmission Provider's Interconnection Facilities and Network Upgrades, including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

24.3 Updated Information Submission by Interconnection Customer. The updated information submission by Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. Interconnection Customer shall submit a completed copy of the Large Generating Facility data requirements contained in Appendix 1 to the LGIP. It shall also include any additional information provided to Transmission Provider for the Feasibility and Facilities Study. Information in this submission shall be the most current Large Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Transmission Provider standard models. If there is no compatible model, Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If Interconnection Customer's data is materially different from what was originally provided to Transmission Provider pursuant to the Interconnection Study Agreement between Transmission Provider and Interconnection Customer, then Transmission Provider will conduct appropriate studies to determine the impact on Transmission Provider Transmission System based on the actual data submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial

Operation until such studies are completed.

24.4 Information Supplementation. Prior to the Operation Date, the Parties shall supplement their information submissions described above in this Article 24 with any and all "as-built" Large Generating Facility information or "as-tested" performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. The Interconnection Customer shall conduct tests on the Large Generating Facility as required by Good Utility Practice such as an open circuit "step voltage" test on the Large Generating Facility to verify proper operation of the Large Generating Facility's automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Large Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Large Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Interconnection Customer shall provide validated test recordings showing the responses of Large Generating Facility terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Large Generating Facility's terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Large Generating Facility terminal or field voltages is provided. Large Generating Facility testing shall be conducted and results provided to Transmission Provider for each individual generating unit in a station. Subsequent to the Operation Date, Interconnection Customer shall provide Transmission Provider any information changes due to equipment replacement, repair, or adjustment. Transmission Provider shall provide Interconnection Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Transmission Provider-owned substation that may affect Interconnection Customer's Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information no later than thirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment.

Article 25. Information Access and Audit Rights

25.1 Information Access. Each Party (the "disclosing Party") shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this LGIA; and (ii) carry out its obligations and responsibilities under this LGIA. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this LGIA.

25.2 Reporting of Non-Force Majeure Events. Each Party (the "notifying Party") shall notify the other Party when the notifying Party becomes aware of its inability to comply with the provisions of this LGIA for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this LGIA.

25.3 Audit Rights. Subject to the requirements of confidentiality under Article 22 of this LGIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either Party's performance or either Party's satisfaction of obligations under this LGIA. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, Transmission Provider's efforts to allocate responsibility for the provision of reactive support to the Transmission System, Transmission Provider's efforts to allocate responsibility for interruption or reduction of generation on the Transmission System, and each Party's actions in an Emergency Condition. Any audit authorized by this article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party's performance and satisfaction of obligations under this LGIA. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.

25.4 Audit Rights Periods.

25.4.1 Audit Rights Period for Construction-Related Accounts and Records. Accounts and records related to the design, engineering, procurement, and construction of Transmission Provider's Interconnection Facilities and Network Upgrades shall be subject to audit for a period of twenty-four months following Transmission Provider's issuance of a final invoice in accordance with Article 12.2.

25.4.2 Audit Rights Period for All Other Accounts and Records. Accounts and records related to either Party's performance or satisfaction of all obligations under this LGIA other than those described in Article 25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights

period shall be twenty-four months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four months after the event for which the audit is sought.

25.5 Audit Results. If an audit by a Party determines that an overpayment or an underpayment has occurred, a notice of such overpayment or underpayment shall be given to the other Party together with those records from the audit which support such determination.

Article 26. Subcontractors

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

26.2 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this LGIA. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Transmission Provider be liable for the actions or inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under Article 5 of this LGIA. Any applicable obligation imposed by this LGIA upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

26.3 No Limitation by Insurance. The obligations under this Article 26 will not be limited in any way by any limitation of subcontractor's insurance.

Article 27. Disputes

27.1 Submission. In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this LGIA or its performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or

dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.

27.2 External Arbitration Procedures. Any arbitration initiated under this LGIA shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail.

27.3 Arbitration Decisions. Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this LGIA and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

27.4 Costs. Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator

jointly chosen by the Parties.

Article 28. Representations, Warranties, and Covenants

28.1 General. Each Party makes the following representations, warranties and covenants:

28.1.1 Good Standing. Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this LGIA and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this LGIA.

28.1.2 Authority. Such Party has the right, power and authority to enter into this LGIA, to become a Party hereto and to perform its obligations hereunder. This LGIA is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

28.1.3 No Conflict. The execution, delivery and performance of this LGIA does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

28.1.4 Consent and Approval. Such Party has sought or obtained, or, in accordance with this LGIA will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this LGIA, and it will provide to any Governmental Authority notice of any actions under this LGIA that are required by Applicable Laws and Regulations.

Article 29. Joint Operating Committee

29.1 Joint Operating Committee. Except in the case of ISOs and RTOs, Transmission Provider shall constitute a Joint Operating Committee to coordinate operating and technical considerations of Interconnection Service. At least six (6) months prior to the expected Initial Synchronization Date, Interconnection Customer and Transmission Provider shall each appoint one representative and one alternate to the Joint Operating Committee. Each Interconnection Customer shall notify Transmission Provider of its appointment in writing. Such appointments may be changed at any time by similar notice. The Joint Operating Committee shall meet as necessary, but not less than once each calendar year, to carry out the duties set forth herein. The Joint Operating Committee shall hold a meeting at the request of either Party, at a time and place agreed upon by the representatives. The Joint Operating Committee shall perform all of its duties consistent with the provisions of this LGIA. Each Party shall cooperate in providing to the Joint Operating Committee all information required in the performance of the Joint Operating Committee's duties. All decisions and agreements, if any, made by the Joint Operating Committee, shall be evidenced in writing. The duties of the Joint Operating Committee shall include the following:

29.1.1 Establish data requirements and operating record requirements.

29.1.2 Review the requirements, standards, and procedures for data acquisition equipment, protective equipment, and any other equipment or software.

29.1.3 Annually review the one (1) year forecast of maintenance and planned outage schedules of Transmission Provider's and Interconnection Customer's facilities at the Point of Interconnection.

29.1.4 Coordinate the scheduling of maintenance and planned outages on the Interconnection Facilities, the Large Generating Facility and other facilities that impact the normal operation of the interconnection of the Large Generating Facility to the Transmission System.

29.1.5 Ensure that information is being provided by each Party regarding equipment availability.

29.1.6 Perform such other duties as may be conferred upon it by mutual agreement of the Parties.

Article 30. Miscellaneous

30.1 Binding Effect. This LGIA and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

30.2 Conflicts. In the event of a conflict between the body of this LGIA and any attachment, appendices or exhibits hereto, the Parties shall strive to give effect to both terms and provisions of the body of this LGIA and the terms and provisions within the appendices. With respect to Appendix G, specifically, the Parties understand and acknowledge that the contents of Appendix G contain more stringent requirements than those contained in the body of this LGIA; the more stringent requirements of Appendix G are intended to control. Otherwise, the Parties intend for the content of the Appendices and the content of the body of this LGIA to have equal weight, and to be read in unison.

30.3 Rules of Interpretation. This LGIA, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this LGIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this LGIA), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this LGIA or such Appendix to this LGIA, or such Section to the LGIP or such Appendix to the LGIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this LGIA as a whole and not to any particular Article or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".

30.4 Entire Agreement. This LGIA, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this LGIA. There are no other agreements, representations,

warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this LGIA.

30.5 No Third Party Beneficiaries. This LGIA is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

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

Any waiver at any time by either Party of its rights with respect to this LGIA shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this LGIA. Termination or Default of this LGIA for any reason by Interconnection Customer shall not constitute a waiver of Interconnection Customer's legal rights to obtain an interconnection from Transmission Provider. Any waiver of this LGIA shall, if requested, be provided in writing.

30.7 Headings. The descriptive headings of the various Articles of this LGIA have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this LGIA.

30.8 Multiple Counterparts. This LGIA may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

30.9 Amendment. The Parties may by mutual agreement amend this LGIA by a written instrument duly executed by the Parties.

30.10 Modification by the Parties. The Parties may by mutual agreement amend the Appendices to this LGIA by a written instrument duly executed by the Parties. Such amendment shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.

30.11 Reservation of Rights. Transmission Provider shall have the right to make a unilateral filing with FERC to modify this LGIA with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this LGIA pursuant to section 206 or

any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this LGIA shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

30.12 No Partnership. This LGIA shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

IN WITNESS WIIEREOF, the Parties have executed this LGIA in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

El Paso Electric Company (Transmission Provider and Transmission Owner)]

By: ADRIAN J. RODRIGUEZ By: _____

Title: INTERIM CEO Title: _____

Date: 2-5-20 Date: _____

EDF Renewables, Inc. (Interconnection Customer)

By: _____

Title: Tristan Grimbert

Date: President and CEO

APPROVED AS TO FORM
OFFICE OF THE GENERAL COUNSEL

Appendices: Interconnection Facilities, Network Upgrades and Distribution Upgrade

Appendices to LGIA

Appendix A	Interconnection Facilities, Network Upgrades, and Distribution Upgrades
Appendix B	Milestones
Appendix C	Interconnection Details
Appendix D	Security Arrangements Details
Appendix E	Commercial Operation Date
Appendix F	Addresses for Delivery of Notices and Billings
Appendix G	Interconnection Requirements for a Non-Synchronous Generating Plant
Addendum	Updates to Facilities and Estimated Costs, as Re-Allocated to Remaining Cluster Participants

Important Notice:

The Interconnection Customer under this LGIA is a participant of an NRIS cluster. Subsequent to the execution of this LGIA, there was a withdrawal of one cluster participant, which resulted in changes to the identification of facilities and estimated costs allocated to the remaining members of the cluster. The information shown in Appendices A and C of this LGIA is modified in the Addendum, which reflects the updated identification of facilities and updated cost allocation applicable to this LGIA.

Appendix A to LGIA

INTERCONNECTION FACILITIES, NETWORK UPGRADES AND DISTRIBUTION UPGRADES[1]

Description of Project

The Interconnection Customer's project, D150S, is a Large Generating Facility comprised of ~~up to~~ 150 MW of PV and/or battery powered generation, combined.[2] D150S was one of several interconnection requests studied in a single cluster, under which the total Network Upgrades for the entire cluster are identified and then allocated among the projects in the cluster ("Cluster Projects"). At the time this Interconnection Agreement is being entered into, the Interconnection Customer's project is one of three (3) Cluster Projects requesting Network Resource Interconnection Service ("NRIS"), which allows the Cluster Projects to integrate with the EPE Transmission System in a manner comparable to that in which EPE integrates its own Generating Facilities to serve native load.

The requested POI is at the existing Diablo 115 kV substation with a proposed COD of September 2020. Within the D150S Generating Facility, the 34.5 kV collector voltage will be stepped up to the 115 kV EPE Transmission System voltage via two 115/34.5 kV transformers. A 115 kV overhead transmission line will then connect the D150S Project to an existing open breaker position at the Diablo 115 kV substation.

The System Impact Study (SIS) evaluated the project at both a Primary and Alternate POI. Following receipt of the SIS, the Interconnection Customer elected to move forward with a Facilities Study that evaluates the impact of NRIS at the Primary POI (115 kV bus at the Diablo).

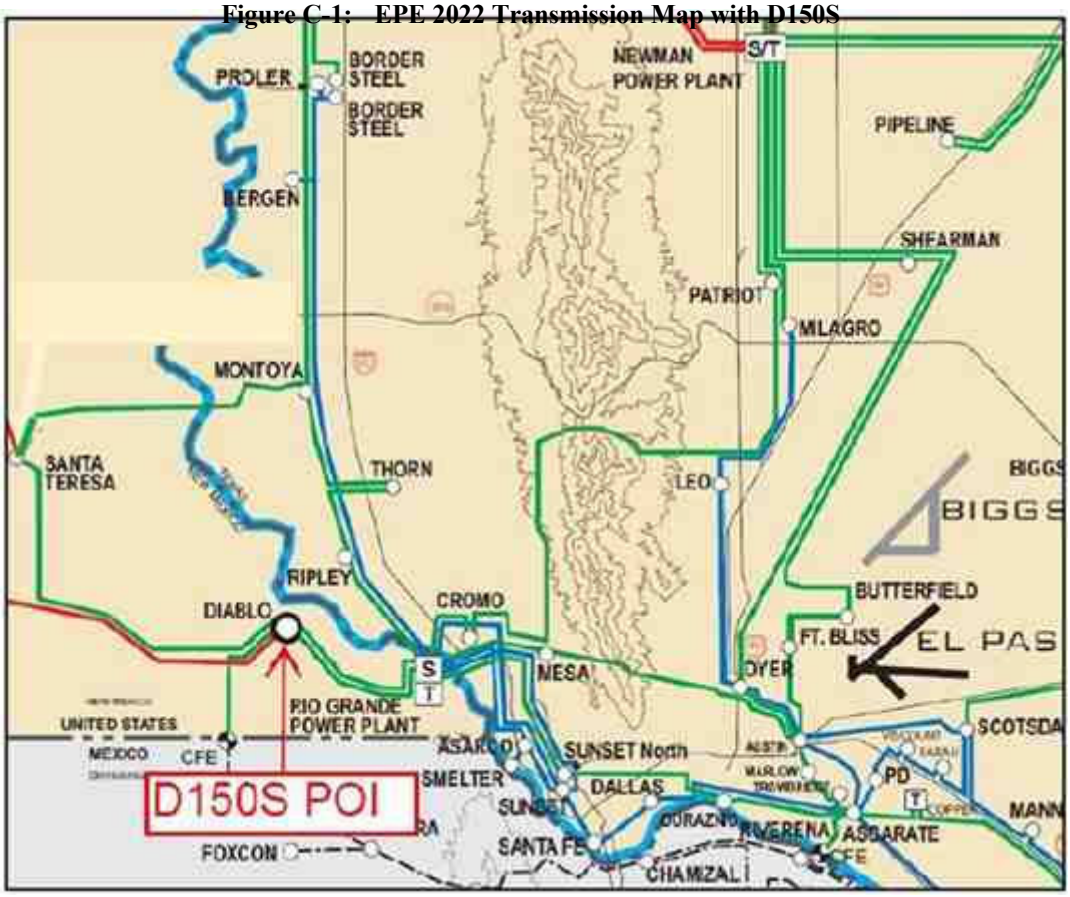
Figure C-1 shows the D150S POI.

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[1] Transmission Provider's Transmission System was studied and evaluated assuming that senior requests and equal-queued requests, and the facilities identified by Transmission Provider as necessary for such requests, are in effect and in service. This LGIA and its Appendices and Schedules are subject to change, based upon changes to such circumstances.

[2] The project is referred to herein as either "Interconnection Customer's project" or D150S.

Figure C-1: EPE 2022 Transmission Map with D150S



I. INTERCONNECTION FACILITIES

a. Interconnection Customer's Interconnection Facilities

Interconnection Customer's Interconnection Facilities are to be engineered, procured, constructed, owned, operated and maintained by the Interconnection Customer at its sole expense. The following facilities to be installed are designated as Interconnection Customer's Interconnection Facilities:

- All Interconnection Facilities from the generator facilities to the Point of Change of Ownership (PCO).[3] The PCO is the dead-end pole that connects the interconnection line into the POI substation. The Interconnection Customer's Interconnection

[3] Any relays or other equipment for protection and control associated with the Large Generating Facility that the Transmission Provider allows to be installed on the Transmission Provider's side of the PCO will remain property of the Interconnection Customer without regard to its location, and the Interconnection Customer will be responsible for the maintenance and testing of any such equipment.

Facilities include all generator step-up transformers, breakers, and any VAR support equipment needed to integrate the D150S Project.

b. Transmission Provider's Interconnection Facilities

Transmission Provider's Interconnection Facilities are facilities from the Point of Change of Ownership to the Point of Interconnection, paid for by the Interconnection Customer but owned and operated by EPE. The following facilities to be installed are designated as Transmission Provider's Interconnection Facilities:

- Facilities from the interconnection line dead-end structure to the Point of Interconnection (including the pole, conductor from the pole to the Point of Interconnection, the revenue metering equipment, and the Phasor Measurement Unit).

II. NETWORK UPGRADES

Network Upgrades are facilities from the Point of Interconnection out to the transmission system, paid for by the Interconnection Customer but owned and operated by EPE. Network Upgrades shall mean additions, modifications, and upgrades to the transmission system to accommodate the interconnection of the generating facility. The following facilities, shown in Table C-1, to be installed for NRIS interconnection service to the cluster participants are designated as Network Upgrades:

Table C-1: Network Upgrade Facilities for the Fall 2017 Cluster

Item	Description
AC120SB Substation	New AC120SB POI 345 kV substation
AC120SB Tie-ins	Tying in the existing Amrad to Picante 345 kV transmission line into the new AC120SB POI 345 kV substation
Chaparral to AC120SB OPGW	Fiber Optic (OPGW) from the existing Chaparral 115 kV substation to the new AC120SB POI 345 kV substation
Diablo Substation	Interconnect at an existing open breaker position and replace an existing breaker at the Diablo 115 kV substation
Santa Teresa Substation	Interconnect at the existing Santa Teresa 115 kV substation by expanding from a four (4) position ring bus to a six (6) position ring bus
Mesa Substation	Replace all four (4) circuit breakers at the Mesa 115 kV substation with new Gas Circuit Breakers

The majority of the Network Upgrades identified in Appendix C are considered Stand Alone Network Upgrades. Detailed identifications, as between the Transmission Provider and the Interconnection Customer, regarding Network Upgrades versus Stand Alone Network Upgrades will be addressed between the Parties. Engineering, design, procurement and construction of System Protection & Control and communications equipment and facilities are among the items not considered Stand Alone Network Upgrades. In addition, activities associated with tying in any Network Upgrades or Stand Alone Network Upgrades to the Transmission Provider's transmission system are among the activities not considered Stand Alone Network Upgrades.

III. DISTRIBUTION FACILITIES

NONE. [4]

[4]Not Applicable to this Agreement with the exception of station service equipment and facilities.

Appendix B: Milestones

Appendix B to LGIA

MILESTONES

Interconnection Customer's Milestones: (includes activities per Art. 5.5.2, 5.5.3, 5.6.3, 5.6.4 and 11.5)

Milestone	Date[5]
Effective date of the LGIA	**Upon execution by both parties,[6] unless FERC designates a different effective date.**
Interconnection Customer to provide $250,000 to EPE in the form of a letter of credit, or other form of security that is reasonably acceptable to EPE,[7] for preliminary design work (including engineering work), and procurement associated with Transmission Provider Interconnection Facilities and Network Upgrades. Interconnection Customer is to provide, at the same time, written authorization for Transmission Provider to proceed with such work.	**Upon notice from Transmission Provider that it is preparing for the start of engineering, design and/or procurement activities. Interconnection Customer is to provide security at least 30 calendar days prior to the commencement of such activities.**
~~Certification by each Party of satisfaction of all~~ insurance requirements (per Art. 18.3.9)	**~~Within 10 calendar days of LGIA execution~~**

[5] The dates shown related to construction activities, backfeed, trial operation, etc. are estimates. Delays may be encountered for a variety of reasons, including, but not limited to right of way acquisition, permitting, inclement weather that impedes construction, the inability to take line outages due to reliability or other reasons, delays in the posting of financial security, whether work is suspended by the Interconnection Customer, etc.

[6] If the LGIA is unexecuted and the Interconnection Customer requests that EPE file the unexecuted LGIA with the Federal Energy Regulatory Commission (FERC), the effective date shall be the date designated by the FERC.

[7] The amounts of financial security identified in Appendix B are subject to change, upon notice by Transmission Provider, depending upon changes in senior or equal-queued requests.

Milestone	Date[5]
Interconnection Customer to provide additional financial security payment for $7,768,853[9] to EPE in the form of a letter of credit, or other form of security that is reasonably acceptable to EPE, for the construction of Transmission Provider's Interconnection Facilities and Network Upgrades. Interconnection Customer is to provide, at the same time, written authorization for Transmission Provider to proceed with such work.	**Upon notice from Transmission Provider that it is preparing for the start of construction activities. Interconnection Customer is to provide security at least 30 calendar days prior to the commencement of construction.**
Submission of initial specifications for the Interconnection Customer's Interconnection Facilities under Art. 5.10.1, Information Submission of Transmission Provider under Art. 24.2, and Updated Information Submission of Interconnection Customer under Art. 24.3	**At least 180 calendar days prior to Trial Operation/Initial Synchronization Date, but in no event later than June 1, 2022**
Submission of final specifications for the Interconnection Customer's Interconnection Facilities (per Art. 5.10.1)	**No later than 90 calendar days following tender of initial specifications, and at least 90 calendar days prior to Trial Operation/Initial Synchronization Date**
Control Area written notification by Interconnection Customer (per Art. 9.2)	**At least three months before back feed power date**
Back feed power	**No earlier than three months before Commercial Operation Date**
Trial Operation start and Initial Synchronization Date, including export power testing sequence start	**30 calendar days following the back-feed power date**

Milestone	Date[5]
Commercial Operation Date (COD):	**The Interconnection Customer has identified a desire to achieve Commercial Operation on December 15, 2022; however, Transmission Provider estimates that after any and all land acquisition/easements and environmental services/permitting have been obtained by the Interconnection Customer and transferred to EPE, the engineering, procurement and construction necessary for all Network Upgrades in the Interconnection Customer's NRIS cluster is estimated to take 67 months. COD Timing is also contingent on timely postings of financial security by Interconnection Customer and notifications by Interconnection Customer and assumes no Suspension of Work.[8]**

[8] The ability to take line outages to permit COD activities may be impeded due to reliability or other reasons. The Interconnection Customer agrees that it will pay for costs associated with taking line outages necessary to install interconnection facilities and network upgrades and to permit testing of the Interconnection Customer's Generating Facility. Such costs may include redispatch costs.

[9] As the Interconnection Customer pays for Interconnection Facilities and Network Upgrades, the amount of financial security that it must maintain will be reduced costs.

Appendix C: Interconnection Details

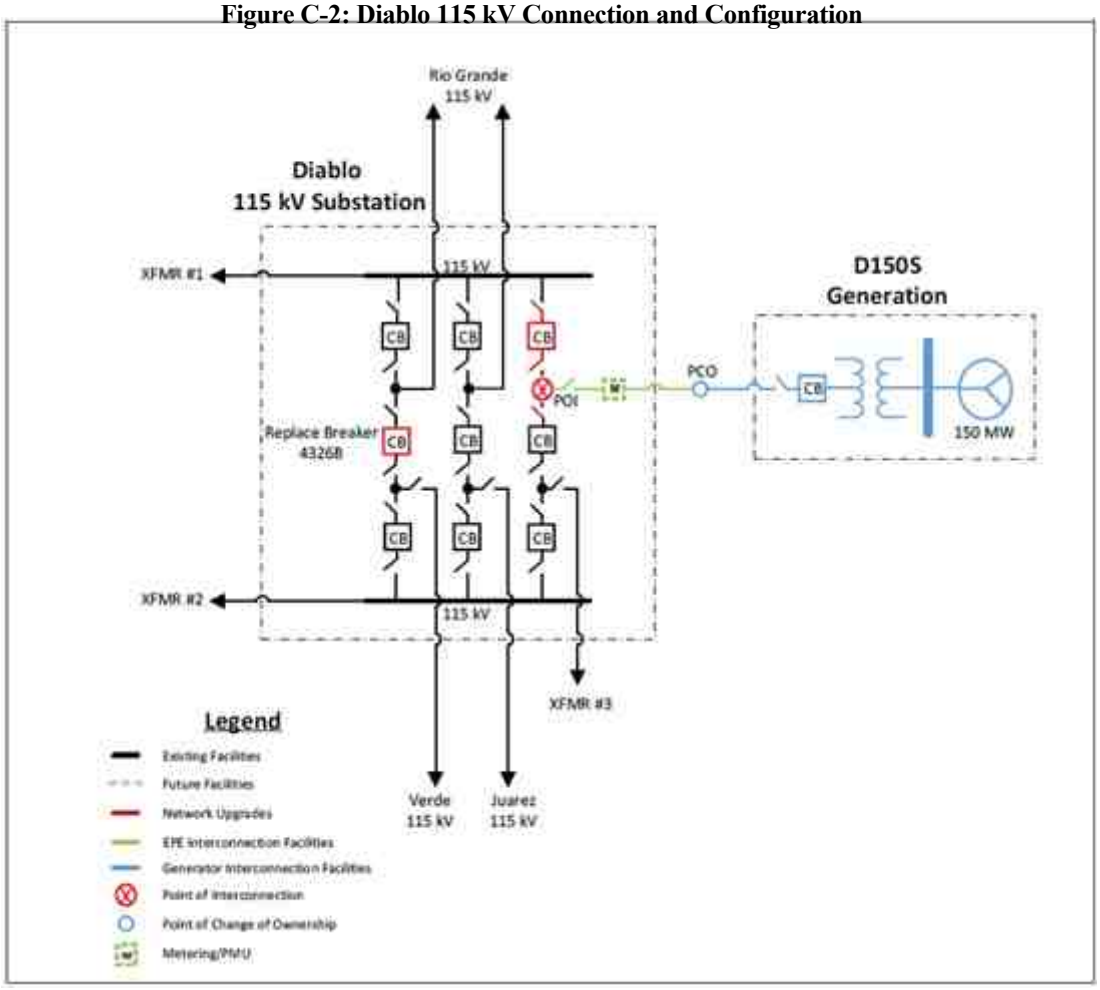
Appendix C to LGIA

Interconnection Details

This report addresses facilities required for the requested Network Resource Interconnection Service ("NRIS").

Figure C-2 shows the D150S Generating Facility interconnecting at a new breaker at the Diablo 115 kV substation. The addition of this breaker will complete the third bay on the 115 kV breaker and a half substation.

Figure C-2: Diablo 115 kV Connection and Configuration



I. INTERCONNECTION FACILITIES

A. Interconnection Customer's Interconnection Facilities

Interconnection Customer's Interconnection Facilities are facilities that will be engineered, procured, constructed, owned, operated, and maintained by Interconnection Customer at its sole expense. The Interconnection Customer's Interconnection Facilities shall include:

- All Interconnection Facilities up to the Point of Change of Ownership.[9] The Interconnection Customer's Interconnection Facilities include all generator step-up transformers, breakers, and any VAR support equipment needed to integrate the D150S project.

The major Interconnection Customer's Interconnection Facilities required for the interconnection of D150S are provided in Table C-2 below.

Table C-2: Interconnection Customer's Interconnection Facilities

Item	Description
Transmission Line	Generating facility to the Point of Change of Ownership

B. Transmission Provider's Interconnection Facilities

Transmission Provider's (EPE) Interconnection Facilities are facilities from the Point of Change of Ownership to the Point of Interconnection, paid for by the Interconnection Customer but owned and operated by EPE. The following facilities to be installed are designated as Transmission Provider's Interconnection Facilities:

- Facilities from the interconnection line dead-end structure to the Point of Interconnection (including the pole, conductor from the pole to the Point of

[9] Interconnection Customer's Interconnection Facilities also include any relays or other protection system and control equipment associated with the Large Generating Facility that Transmission Provider permits to be installed on the Transmission Provider's side of the PCO. Any such relays or other equipment will be owned, maintained and tested by the Interconnection Customer; Transmission Provider will allow access to the Interconnection Customer for such activities.

Interconnection, the revenue metering equipment, and the Phasor Measurement Unit).

- The major EPE Interconnection Facilities required for the interconnection of D150S are provided in Table C-3 below.

Table C-3: Transmission Provider Interconnection Facilities

Item	Description
Transmission Facilities	between the D150S interconnection line dead-end pole (Point of Change of Ownership) and the termination point at the D150S Point of Interconnection 115 kV substation bus
Revenue Metering	between the Point of Interconnection and the interconnection line
Phasor Measurement Unit	between the Point of Interconnection and the interconnection line

II. NETWORK UPGRADES

Network Upgrades are facilities from the Point of Interconnection out to the transmission system, paid for by the Interconnection Customer(s) but owned and operated by EPE. Network Upgrades shall mean additions, modifications, and upgrades to the transmission system to accommodate the interconnection of the generating facility.

The major Network Upgrades required for the interconnection of Cluster Projects are provided in Table C-4 below. An allocation of Network Upgrade facility costs as among the Cluster Projects is addressed in Section III.

Table C-4: Network Upgrade Facilities

Item	Description
AC120SB Substation	New AC120SB POI 345 kV substation
AC120SB Tie-ins	Tying in the existing Amrad to Picante 345 kV transmission line into the new AC120SB POI 345 kV substation
Chaparral to AC120SB OPGW	Fiber Optic (OPGW) from the existing Chaparral 115 kV substation to the new AC120SB POI 345 kV substation
Diablo Substation	Interconnect at an existing open breaker position and replace an existing breaker at the Diablo 115 kV substation
Santa Teresa Substation	Interconnect at the existing Santa Teresa 115 kV substation by expanding from a four (4) position ring bus to a six (6) position ring bus
Mesa Substation	Replace all four (4) circuit breakers at the Mesa 115 kV substation with new Gas Circuit Breakers

III. ASSUMPTIONS AND COST ESTIMATES[10]

The following key assumptions were identified regarding the facilities required for the interconnection of the Cluster Projects:

1. All active senior-queued projects and facility upgrades were assumed to be in service prior to beginning construction on Network Upgrades attributed to the Cluster Projects.

2. The cost estimates and project schedules do not include Interconnection Customer Interconnection Facilities.

3. All prior queued project facility upgrades are assumed to be timely placed in service prior to the construction of this project. Changes in senior queued requests and changes to equal-queued requests in the same Cluster may affect the timing and cost of interconnection for the Cluster Projects. Transmission Provider will notify Interconnection Customer of impacts on costs and/or timing of its proposed interconnection resulting from changes in senior-queued or equal-queued requests. Interconnection Customer is responsible for its allocated share of actual costs.

Any deviation from these assumptions may have substantial impacts to the project cost and/or schedule.

[10] The costs shown in this LGIA are simply estimates. The Interconnection Customer is responsible for paying the actual costs of interconnection facilities and network upgrades.

- **General Assumptions**

  The general assumptions made in developing the cost estimates for the substations within the Cluster and other transmission facilities:

  1. Cost estimates provided are good faith "scoping estimates" based on 2019 dollars; no escalation or discount rates were included.
  2. No state, county or city taxes were included.
  3. Contingency for substation facilities were assumed to be 20% of the total material, labor, engineering, and construction management costs.
  4. Contingency for transmission facilities were assumed to be 10% of the total material, labor, engineering, and construction management costs.
  5. Contingency for land acquisition/easements and environmental services/permitting were assumed to be 25% of the total incurred costs. 6. Estimates were based on equipment and configuration shown in substation layouts.
  7. Direct costs for EPE are included in the cost estimates at 6% of the project total rounded up to the nearest thousand. Direct costs may include, but are not limited to EPE program management, project management and overhead costs. Actual direct costs may differ from the estimated value.

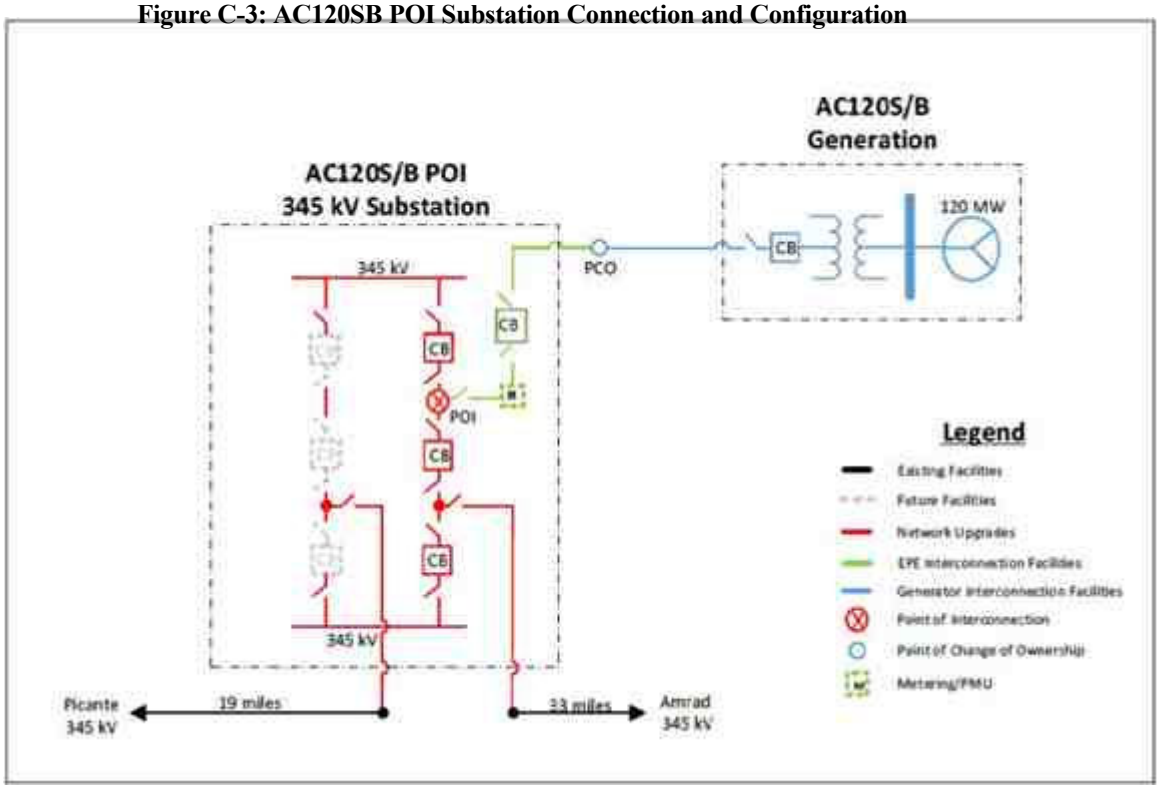
A. SUBSTATIONS

AC120SB 345 kV Substation

A new AC120SB POI 345 kV substation will need to be constructed for the interconnection of AC120SB to the EPE Transmission System. The Network Upgrades (shown in red in Figure C-3) include additions, modifications, and upgrades to the Transmission System. The cost estimates also include the EPE Interconnection Facilities (shown in green in Figure C-3) required to interconnect AC120SB. These include the transmission facilities between the AC120SB interconnection line dead-end pole and the termination point at the AC120SB POI 345 kV substation bus, as well as revenue metering and phasor measurement between the Point of Change of Ownership and the POI.

Figure C-3 shows the AC120SB POI 345 kV substation tapping the Amrad to Picante 345 kV transmission line. The AC120SB POI 345 kV substation will initially employ a three (3) position ring bus configuration. The substation will be designed to expand into a breaker and a half bus configuration with accommodations for future breakers.

Figure C-3: AC120SB POI Substation Connection and Configuration



- **Design and Construction Assumptions**

  The Interconnection Facilities and Network Upgrade design and construction assumptions are listed below. As detailed engineering and design proceeds after this LGIA becomes effective, the Transmission Provider may make adjustments to the assumptions identified in this LGIA, including adjustments to structure and equipment type:

  1. Site assumed to be approximately 350’ x 500' and was assumed to be flat.
  2. Access to this facility assumed to be built by the Interconnection Customer. The cost associated for the construction of the road was not included in this estimate. EPE will require access for substation operation.
  3. Grading and Foundation installation was assumed to not include any shale or rock excavation.
  4. Owner standard structures with loading criteria are assumed appropriate for use for foundation design.
  5. The remote end line protection at Picante and Amrad is assumed to require an upgrade for this installation.
  6. Primary station power is assumed to be provided via a Distribution Feeder and backup station power will be supplied via 345 kV SSVTs.
  7. All line and breaker disconnect switches will be motor operated.
  8. Ground grid was estimated with 4/0, 19 strand bare copper, pending

ground grid design.

9. Ground grid conductor spacing will be 25' between runs.
10. Security fence shall be 10' pre-fabricated concrete sections.
11. Communications to the site assumed to be via OPGW with two communication channels created between the AC120SB substation and the Picante substation. Costs for additional communication facilities at the AC120SB substation have not been provided. Final pricing will depend on detail engineering.
12. A 16'x 40' Prefabricated Drop-in Control Building is assumed to be included in the design to house all protection and control equipment for the substation.

Table C-5 shows the cost estimate for the design and construction of the EPE Interconnection Facilities associated with interconnecting the AC120SB Generating Facility to the AC120SB POI 345 kV substation.

Table C-5: AC120SB POI 345 kV Substation - EPE Interconnection Facilities Cost Estimate

Item	Material	Contract	Engineering	Construction	Total
Substation	$274,000	$126,000	$40,000	$40,000	$480,000
System Protection & Control	$408,000	$113,000	$53,000	$53,000	$627,000
Contingency (20% Substation)	$137,000	$48,000	$19,000	$19,000	$223,000
EPE Direct Cost (6%)	$41,000	$15,000	$6,000	$6,000	$68,000
Total Design and Construction Cost	**$860,000**	**$302,000**	**$118,000**	**$118,000**	**$1,398,000**

Table C-6 shows the cost estimate for the design and construction of the AC120SB POI 345 kV substation and other Network Upgrades associated with the substation.

Table C-6: AC120SB POI 345 kV Substation - Network Upgrade Cost Estimate

	Material	Contract	Engineering	Construction	Total
Substation	$3,872,000	$1,779,000	$566,000	$566,000	$6,783,000
System Protection & Control	$597,000	$369,000	$97,000	$97,000	$1,160,000
Contingency (20% Substation)	$894,000	$430,000	$133,000	$133,000	$1,590,000
EPE Direct Cost (6%)	$269,000	$129,000	$40,000	$40,000	$478,000
Total Design and Construction Cost	**$5,632,000**	**$2,707,000**	**$836,000**	**$836,000**	**$10,011,000**

Table C-7 shows the land acquisition cost estimate for the new AC120SB POI 345 kV substation.

Table C-7: AC120SB POI 345 kV Substation – Land Acquisition/Long-Term Easement Cost Estimate

Item	Total
Acreage (16.8 Acres)	$280,000
Title Search & Appraisal	$10,000
Survey	$10,000
Project Management	$25,000
Contingency (-25%)	$82,000
EPE Direct Cost (-6%)	$20,000
Total Land Acquisition Cost	**$427,000**

Table C-8 shows the environmental services cost estimate for the new AC120SB POI 345 kV substation.

Table C-8: AC120SB POI 345 kV Substation – Environmental Services Cost Estimate

Item	Total
Wetland, Cultural Resource, Endangered Species, Storm Water Pollution Surveys/Permits/Reports	$90,000
FAA, County, State Permits	$18,000
Contingency (25%)	$27,000
EPE Direct Cost (6%)	$7,000
Total Environmental Services Cost	**$142,000**

Table C-9 shows the total Network Upgrade cost estimate is $10,580,000 for the AC120SB POI Substation.

Table C-9: AC120SB POI 345 kV Substation – Total Network Upgrade Cost Estimate							
Network Upgrades - Design & Construction	$4,469,000	$2,148,000	$663,000	$663,000	$1,590,000	$478,000	$10,011,000
Network Upgrades - Land Acquisition	$280,000	$20,000	$25,000	$0	$82,000	$20,000	$427,000
Network Upgrades - Environmental Services	$0	$0	$108,000	$0	$27,000	$7,000	$142,000
Total AC120SB Network Upgrade Cost	**$4,749,000**	**$2,168,000**	**$796,000**	**$663,000**	**$1,699,000**	**$505,000**	**$10,580,000**

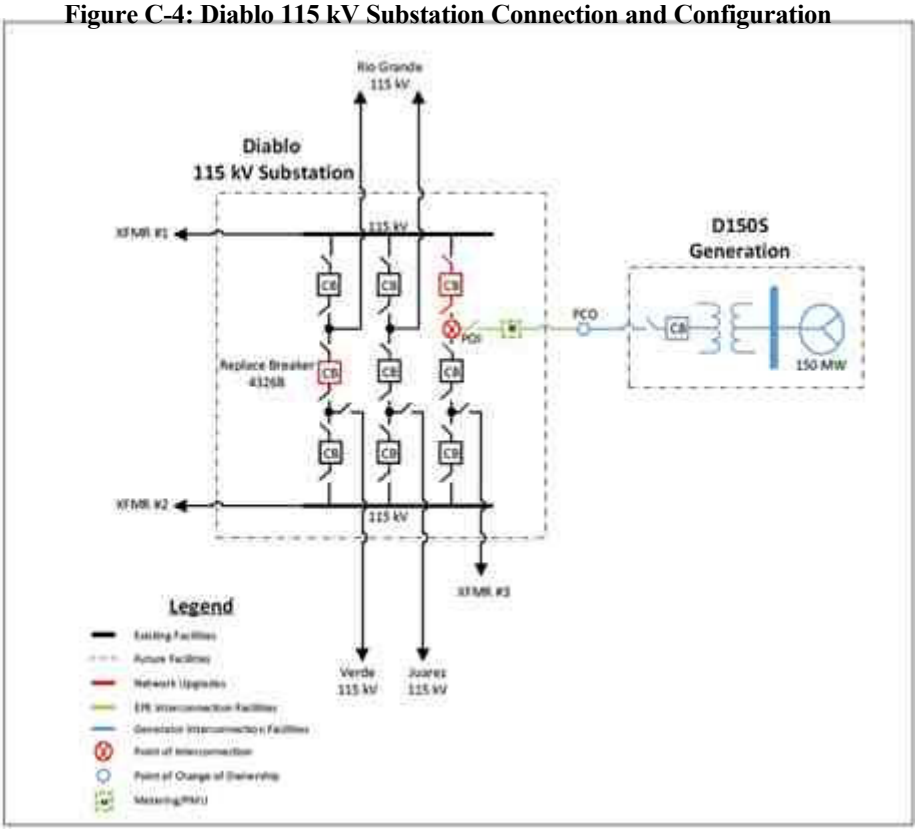
Diablo 115 kV Substation

The D150S Project has requested to interconnect at an existing open breaker position at the Diablo 115 kV substation. The cost estimates include the EPE Interconnection Facilities (shown in green in Figure C-4) required to interconnect the D150S generating facility to the Transmission Provider's transmission system. These include the transmission facilities between the D150S interconnection line dead-end pole (Point of Change of Ownership) and the POI termination point at the Diablo 115 kV substation bus, including revenue metering and phasor measurement between the Point of Change of Ownership and the POI.

The results of the System Impact Study showed that the Cluster Projects will cause one (1) circuit breaker at the Diablo 115 kV substation to exceed its interrupting capability. The Network Upgrades (shown in red in Figure C-4) include replacing breaker 4326B with a new Gas Circuit Breaker (115 kV, 3000A, 40 kA) to increase the interrupting capability.

Figure C-4 shows the D150S Generating Facility interconnecting at a new breaker at the Diablo 115 kV substation. The addition of this breaker will complete the third bay on the 115 kV breaker and a half substation.

Figure C-4: Diablo 115 kV Substation Connection and Configuration



- **Design and Construction Assumptions**
  The Interconnection Facilities and Network Upgrade design and construction assumptions are listed below:

  1. Complete installation was assumed to be built within the existing Diablo substation property.
  2. New line protection panels were assumed to be installed at Diablo for the new line to the D150S Generating Facility. It was assumed that there is enough space in the existing control house to accommodate these panels.
  3. A suitable AC source was assumed to be available to power the new equipment.
  4. Existing DC system was assumed to be capable of supporting additional load.
  5. All line and breaker disconnect switches were assumed to be motor operated.
  6. Existing ground grid design was assumed to be adequate for the new installation.
  7. Communications to the D150S Generating Facility will be via OPGW. Two communication channels will be created between the D150S Generating Facility and the Diablo substation. Costs for additional communication facilities at the Diablo substation have not been provided. Final pricing will depend on detail engineering.

  Table C-10 shows the cost estimate for the design and construction of the EPE Interconnection Facilities associated with interconnecting the D150S Generating Facility to the Diablo 115 kV substation.

Table C-10: Diablo 115 kV Substation - EPE Interconnection Facilities Cost Estimate

Item	Material	Contract	Engineering	Construction	Total
Substation	$105,000	$98,000	$21,000	$21,000	$245,000
System Protection & Control	$376,000	$110,000	$49,000	$49,000	$584,000
Contingency (20% Substation)	$97,000	$42,000	$14,000	$14,000	$167,000
EPE Direct Cost (6%)	$29,000	$13,000	$5,000	$5,000	$52,000
Total Design and Construction Cost	**$607,000**	**$263,000**	**$89,000**	**$89,000**	**$1,048,000**

Table C-11 shows the cost estimate for the design and construction of the Network Upgrades associated with the Diablo 115 kV substation.

Table C-11: Diablo 115 kV Substation - Network Upgrade Cost Estimate

Item	Material	Contract	Engineering	Construction	Total
Substation	$266,000	$128,000	$40,000	$40,000	$474,000
System Protection & Control	$94,000	$170,000	$27,000	$27,000	$318,000
Contingency (20% Substation)	$72,000	$60,000	$14,000	$14,000	$160,000
EPE Direct Cost (6%)	$22,000	$18,000	$5,000	$5,000	$50,000
Total Design and Construction Cost	**$454,000**	**$376,000**	**$86,000**	**$86,000**	**$1,002,000**

The required equipment additions will be located within the footprint of the existing Diablo 115 kV substation. As a result, no additional land acquisition/easements were assumed to be required for the substation.

Environmental services/permitting were assumed not to be required for the Diablo 115 kV substation modifications.

Table C-12 shows the total Network Upgrade cost estimate is $1,002,000.

Table C-12: Diablo 115 kV Substation - Total Network Upgrade Cost Estimate

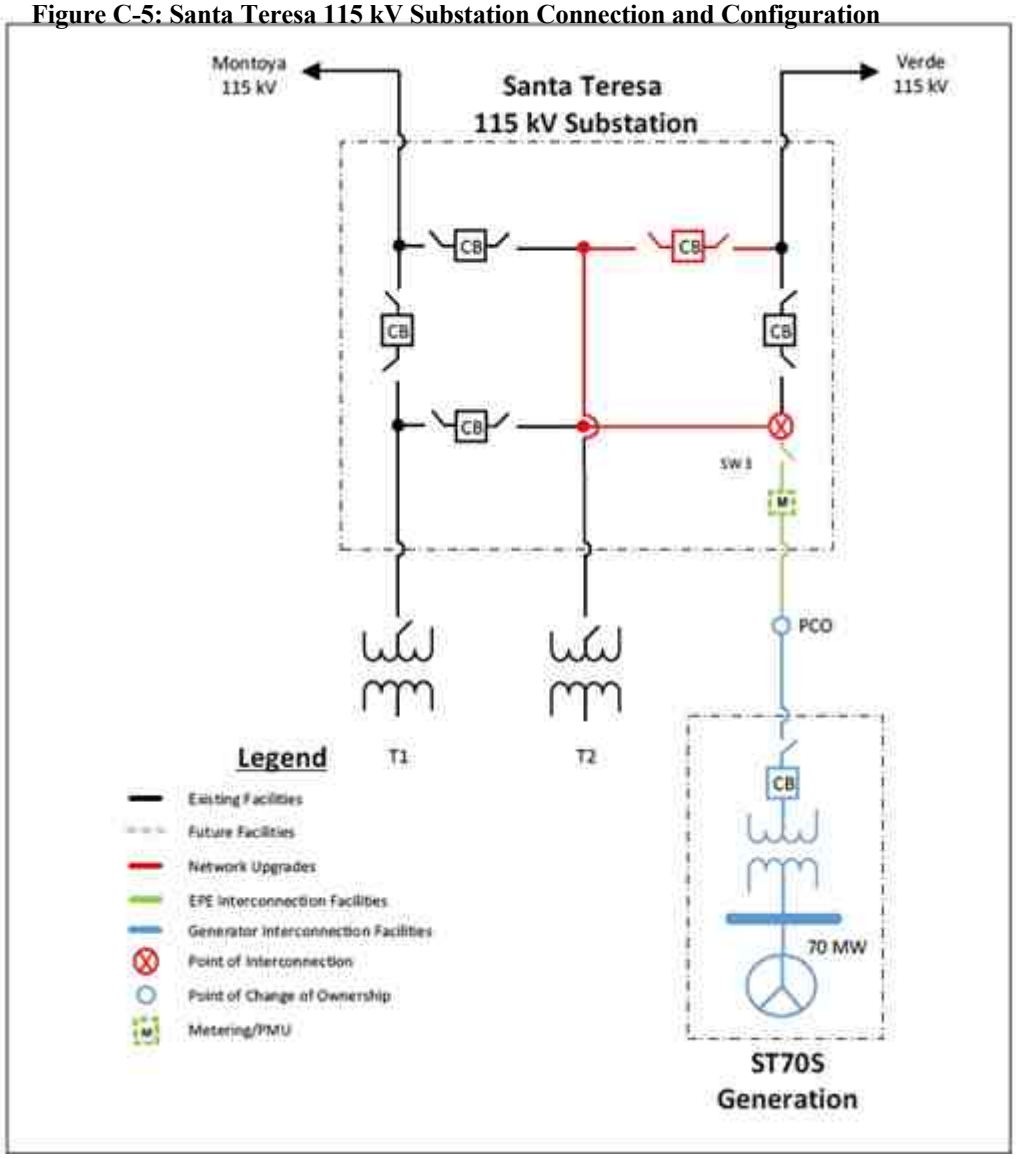
	Material			Construction		EPE	
Network Upgrades - Design & Construction	$360,000	$298,000	$67,000	$67,000	$160,000	$50,000	$1,002,000
Network Upgrades - Land Acquisition	$0	$0	$0	$0	$0	$0	$0
Network Upgrades - Environmental Services	$0	$0	$0	$0	$0	$0	$0
Total Diablo Network Upgrade Cost	**$360,000**	**$298,000**	**$67,000**	**$67,000**	**$160,000**	**$50,000**	**$1,002,000**

Santa Teresa 115 kV Substation

The ST70S Project has requested to interconnect at the existing Santa Teresa 115 kV substation. The cost estimates include the EPE Interconnection Facilities (shown in green in Figure C-5) required to interconnect the ST70S generating facility to the Transmission Provider's transmission system. These include the transmission facilities between the ST70S interconnection line dead-end pole (Point of Change of Ownership) and the termination point (POI) at the Santa Teresa 115 kV substation bus, including revenue metering and phasor measurement between the Point of Change of Ownership and the POI. The Network Upgrades (shown in red in Figure C-5) include expanding the Santa Teresa 115 kV substation from a four (4) position ring bus to a six (6) position ring bus.

Figure C-5 shows the ST70S Generating Facility interconnecting at a new position at the Santa Teresa 115 kV substation.

Figure C-5: Santa Teresa 115 kV Substation Connection and Configuration



- **Design and Construction Assumptions**
  The Interconnection Facilities and Network Upgrade design and construction assumptions are listed below. As detailed engineering and design proceeds after this LGIA becomes effective, the Transmission Provider may make adjustments to the assumptions identified in this LGIA, including adjustments to structure and equipment type:

  1. Site is assumed to be expanded approximately 250’ x 250' and was assumed to be flat.

2. The Transformer T2 bay is assumed to be relocated to obtain the line-transformer-line configuration. The distribution regulators for T2 are assumed to need to be relocated for the expansion of this site.
3. Grading and Foundation installation was assumed to not include any shale or rock excavation.
4. Owner standard structures with loading criteria will be used for foundation design.
5. The dead-end for the line to the Verde substation is assumed to require relocation. A long outage will be required for this relocation.
6. All 115kV line and breaker disconnect switches will be motor operated.
7. Ground grid is estimated with 4/0, 19 strand bare copper, pending ground grid design.
8. Ground grid conductor spacing will be 25' between runs on the expanded area.
9. Security fence will match the existing installation: metallic fence 7' in height with three strands of barbed wire.
10. Communications to the ST70S Generating Facility are assumed to be via OPGW, with two communication channels created between the ST70S Generating Facility and the Santa Teresa substation. Costs for additional communication facilities at the Santa Teresa substation have not been provided. Final pricing will depend on detail engineering.
11. New line protection panels were assumed to be installed at the Santa Teresa substation for the new line to the ST70S Generating Facility. It was assumed that there is enough space in the existing control house to accommodate these panels.
12. A suitable AC source was assumed to be available to power the new equipment.
13. Existing DC system was assumed to be capable of supporting additional load.
14. Removal of Underground Distribution installations were not included in this estimate.

Table C-13 shows the cost estimate for the design and construction of the EPE Interconnection Facilities associated with interconnecting the ST70S Generating Facility to the Santa Teresa 115 kV substation.

Table C-13: Santa Teresa 115 kV Substation - EPE Interconnection Facilities Cost Estimate

Item	Material	Contract	[illegible]	Construction	[illegible]
Substation	$112,000	$91,000	$21,000	$21,000	$245,000
System Protection & Control	$300,000	$238,000	$54,000	$54,000	$646,000
Contingency (20% Substation)	$83,000	$66,000	$15,000	$15,000	$179,000
EPE Direct Cost (6%)	$25,000	$20,000	$5,000	$5,000	$55,000
Total Design and Construction Cost	**$520,000**	**$415,000**	**$95,000**	**$95,000**	**$1,125,000**

Table C-14 shows the cost estimate for the design and construction of the Network Upgrades associated with the Santa Teresa 115 kV substation.

Table C-14: Santa Teresa 115 kV Substation - Network Upgrade Cost Estimate

Item	Material	Contract	Engineering	Construction	Total
Substation	$662,000	$476,000	$114,000	$114,000	$1,366,000
System Protection & Control	$167,000	$191,000	$36,000	$36,000	$430,000
Contingency (20% Substation)	$166,000	$134,000	$30,000	$30,000	$360,000
EPE Direct Cost (6%)	$50,000	$41,000	$9,000	$9,000	$109,000
Total Design and Construction Cost	**$1,045,000**	**$842,000**	**$189,000**	**$189,000**	**$2,265,000**

Table C-15 shows the land acquisition cost estimate for the Santa Teresa 115 kV substation expansion.

Table C-15: Santa Teresa 115 kV Substation - Land Acquisition/Long Term Easement Cost Estimate

Acreage (1.43 Acres)	$24,000
Title Search & Appraisal	$8,000
Survey	$8,000
Project Management	$13,000
Contingency (~25%)	$14,000
EPE Direct Cost (~6%)	$4,000
Total Land Acquisition Cost	**$71,000**

Table C-16 shows the environmental services cost estimate for the Santa Teresa 115 kV substation expansion.

Table C-16: Santa Teresa 115 kV Substation - Environmental Services Cost Estimate

Wetland, Cultural Resource, Endangered Species, Storm Water Pollution Surveys/Permits/Reports	$60,000
FAA, County, State Permits	$12,000
Contingency (25%)	$18,000
EPE Direct Cost (6%)	$5,000
Total Environmental Services Cost	**$95,000**

Table C-17 shows the total Network Upgrade cost estimate of $2,431,000 for the Santa Teresa 115 kV Substation.

Table C-17: Santa Teresa 115 kV Substation – Total Network Upgrade Cost Estimate

Item	Material	Labor Cost	Engineering	Construction	[illegible]	EPE [illegible]	[illegible]
Network Upgrades Design & Construction	$829,000	$667,000	$150,000	$150,000	$360,000	$109,000	$2,265,000
Network Upgrades Land Acquisition	$24,000	$16,000	$13,000	$0	$14,000	$4,000	$71,000
Network Upgrades Environmental Services	$0	$0	$72,000	$0	$18,000	$5,000	$95,000
Total Santa Teresa Network Upgrade Cost	**$853,000**	**$683,000**	**$235,000**	**$150,000**	**$392,000**	**$118,000**	**$2,431,000**

Mesa 115 kV Substation

The results of the System Impact Study showed that the Cluster Projects will cause all four (4) circuit breakers at the Mesa 115 kV substation to exceed their interrupting capability. The Network Upgrades include replacing all four (4) circuit breakers at the Mesa 115 kV substation with new Gas Circuit Breakers (115 kV, 3000A, 40 kA) to increase their interrupting capability.

- **Design and Construction Assumptions**
  The Interconnection Facilities and Network Upgrade design and construction assumptions are listed below:

  1. Replacement breakers will be installed in the same location as the existing breakers
  2. No additional bus and/or switch upgrades were considered.
  3. Existing foundations were assumed to be suited to receive the new circuit breakers.
  4. Existing conduit was assumed to be sized to hold all necessary control cable.
  5. Equipment jumpers will be replaced.
  6. New control cable for the breakers is included in the estimate.
  7. Estimate includes all necessary equipment and material, installation and testing and commissioning of new breakers.

  Table C-18 shows the cost estimate for the design and construction of the Network Upgrades associated with the Mesa 115 kV substation.

Table C-18: Mesa 115 kV Substation - Network Upgrade Cost Estimate

Item	Material	Contract	Engineering	Construction	Total
Substation	$23,000	$37,000	$6,000	$6,000	$72,000
System Protection & Control	$350,000	$69,000	$42,000	$42,000	$503,000
Contingency (20% Substation)	$75,000	$22,000	$10,000	$10,000	$117,000
EPE Direct Cost (6%)	$23,000	$7,000	$3,000	$3,000	$36,000
Total Design and Construction Cost	**$471,000**	**$135,000**	**$61,000**	**$61,000**	**$728,000**

The required equipment additions are assumed to be located within the footprint of the existing Mesa 115 kV substation. As a result, no additional land acquisition/easements were assumed to be required for the substation.

Environmental services/permitting were assumed not to be required for the Mesa 115 kV substation modifications.

The Mesa 115 kV substation costs are shown in Table C-19 below. The total Network Upgrade cost estimate for the substation is $728,000.

Table C-19: Mesa 115 kV Substation - Total Network Upgrade Cost Estimate

Item	Material Cost	Labor Cost	Engineering	Construction Management	Contingency	EPE Direct	Total
Network Upgrades - Design & Construction	~~$373,000~~	~~$106,000~~	~~$48,000~~	~~$48,000~~	~~$117,000~~	~~$36,000~~	~~$728,000~~
Total Mesa Substation Network Upgrade Cost	**~~$373,000~~**	**~~$106,000~~**	**~~$48,000~~**	**~~$48,000~~**	**~~$117,000~~**	**~~$36,000~~**	**~~$728,000~~**

B. TRANSMISSION LINES

AC120SB 345 kV Tie-ins

Note that by year 2020, EPE plans to tap the existing Amrad to Caliente 345 kV transmission line at the Picante substation. Once the planned project is complete, the AC120SB Project will tap the Amrad to Picante 345 kV transmission line. The following sections describe the assumptions and cost estimate for the AC120SB POI 345 kV substation tie-ins.

- **Design and Construction Assumptions and Cost Estimate**

  The AC120SB POI 345 kV substation tie-ins include the future Amrad to Picante 345 kV transmission line (currently, the line runs from Amrad to Caliente Substations) and the Interconnection Customer's new 345 kV transmission line from the AC120SB Generating Facility to the POI 345 kV substation. In addition to the general cost estimate assumptions, the following specific assumptions apply to the design and construction of the AC120SB POI 345 kV substation tie-ins. As detailed engineering and design work proceeds following the effective date of the LGIA, the Transmission Provider may make adjustments to the assumptions shown in this LGIA, including adjustments to the equipment and structure type.

  1. The location of the AC120SB POI 345 kV substation is assumed to be adjacent to the existing Amrad to Caliente 345 kV line.
  2. Two three pole dead-end structures are assumed to be required to terminate the Amrad to Picante 345 kV line adjacent to the new AC120SB POI 345 kV substation. No existing structure modifications were assumed to be necessary.
  3. One monopole dead-end structure will be required to bring the Interconnection Customer's new 345 kV transmission line from the AC120SB Generating Facility into the new AC120SB POI 345 kV substation.
  4. The conductors shall be 954 kcmil "Rail" double bundled ACSR per phase.
  5. All hardware assemblies shall use EPE standard polymer insulators with compression dead-end connections.
  6. Ruling Span: assumed 400'
  7. Loading: NESC Light District, NESC Medium District, and EPE standards.
  8. Maximum Conductor Operating Temperature: 212°F
  9. Dead-end Structure Design: Assumed to be Self-supported single circuit 3-Pole and Monopole structures on concrete drilled shafts.
  10. Design tension conductor: 25% RBS maximum under NESC Medium and 25% RBS maximum under NESC Light.
  11. Shield wire: Assumed to be (2) 3/8" 7-strand steel EHS wire on the Amrad circuit and (1) 3/8" 7-strand steel EHS wire and (1) SFPOC/SFSJ-J-4062 OPGW on the Picante side.
  12. SFPOC/SFSJ-J-4062 OPGW will be run between Chaparral Substation and the new AC120SB 345 kV substation to replace the existing 3/8" 7-Strand EHS wire. It was assumed that the existing structures will be sufficient to support the new OPGW.
  13. Shield wire: (1) 3/8" 7-strand steel EHS wire and (1) SFPOC/SFSJ-J-4062 OPGW for the Interconnection Customer's transmission line.

14. SFPOC/SFSJ-J-4062 OPGW will be run between the AC120SB Generating Facility and the existing AC120SB POI 115 kV substation.
15. Design tension shield wire: 80% of conductor sag under 60°F Normal Conditions.
16. Structure Height: Dead-end structures are 85' total length.
17. Foundations utilize reinforced drilled piers with anchor bolt cages.
18. Foundation sizes and costs were estimated based on data from other projects previously performed in the area.
19. All structures are to be galvanized and estimated cost per pound of steel is $1.75/lb.
20. Construction activities shall be completed by contractor.

- **Cost Estimate**

The cost estimate of the EPE Interconnection Facilities required to connect the AC120SB Generating Facility into the new AC120SB POI 345 kV substation is shown in Table C-20 below.

Table C-20: AC120SB Generating Facility Tie-in - EPE Interconnection Facilities Cost Estimate

Item	Material Cost	Labor	Total
Structure Costs	$25,000	$28,000	$53,000
Foundation Costs	$15,000	$23,000	$38,000
Installed Wires	$28,000	$33,000	$61,000
Construction - Incidentals	$0	$11,000	$11,000
Engineering	$0	$10,000	$10,000
Construction - Management	$0	$11,000	$11,000
Contingency (10%)	$7,000	$12,000	$19,000
EPE Direct Cost (6%)	$5,000	$7,000	$12,000
Total Design and Construction	**$80,000**	**$135,000**	**$215,000**

- **Amrad to Picante Tie-in Cost Estimate**

The cost estimate of the Network Upgrades required to tie-in the existing Amrad to Picante 345 kV transmission line into the new AC120SB POI 345 kV substation is shown in **Error! Reference source not found.**C-21 below.

Table C-21: Amrad to Picante Tie-in – Network Upgrade Cost Estimate

Item	Material Cost	Labor	Total
Structure Costs	$50,000	$55,000	$105,000
Foundation Costs	$30,000	$45,000	$75,000
Installed Wires	$55,000	$65,000	$120,000
Construction - Incidentals	$0	$22,000	$22,000
Engineering	$0	$20,000	$20,000
Construction - Management	$0	$21,000	$21,000
Contingency (10%)	$14,000	$23,000	$37,000
EPE Direct Cost (6%)	$9,000	$14,000	$23,000
Total Design and Construction	**$158,000**	**$265,000**	**$423,000**

Chaparral to AC120SB Fiber Optic (OPGW) Addition Cost Estimate

Fiber optic (OPGW) cable will need to be brought from the existing Chaparral 115 kV substation to the new AC120SB POI 345 kV substation for the interconnection of AC120SB to the EPE Transmission System. The following sections describe the assumptions and cost estimate for bringing fiber optic (OPGW) cable from Chaparral to AC120SB. Engineering and design work to occur subsequently may result in changed assumptions.

- **Design and Construction Assumptions and Cost Estimate**

  In addition to the general cost estimate assumptions listed in Section 2.0, the following specific assumptions apply to the design and construction estimate for bringing fiber optic (OPGW) cable from Chaparral to AC120SB.

  1. SFPOC/SFSJ-J-4062 OPGW is assumed to be run between Chaparral 115 kV substation and the new AC120SB POI 345 kV substation to replace the existing 3/8" 7-Strand EHS wire. It was assumed that the existing structures will be sufficient to support the new OPGW.

  2. OPGW is assumed to start on the Chaparral to Picante 115 kV transmission line until it intersects with the 345 kV Amrad to Picante transmission line. The OPGW will need to be transitioned between the two lines so it can continue on towards the new AC120SB POI 345 kV substation. It was assumed that this transition will occur at ground level.

  3. Design tension shield wire: 80% of conductor sag under 60°F Normal Conditions.

The cost estimate for bringing fiber optic (OPGW) cable from existing Chaparral 115 kV substation to the new AC120SB POI 345 kV substation is shown in Table C-22 below.

Table C-22: Chaparral to AC120SB Fiber Optic (OPGW) Addition – Network Upgrade Cost Estimate

Item	Material Cost	Labor	Total
Installed Wires	$315,000	$180,000	$495,000
Construction - Incidentals	$0	$40,000	$40,000
Engineering	$0	$24,000	$24,000
Construction - Management	$0	$29,000	$29,000
Contingency (10%)	$32,000	$28,000	$60,000
EPE Direct Cost (6%)	$19,000	$17,000	$36,000
Total Design and Construction	**$366,000**	**$318,000**	**$684,000**

Diablo 115 kV Tie-in

The following sections describe the assumptions and cost estimate for tying in the new 115 kV transmission line from the D150S Generating Facility into the existing Diablo 115 kV substation.

- **Design and Construction Assumptions and Cost Estimate**

  In addition to the general cost estimate assumptions, the following specific assumptions apply to the design and construction estimate for the EPE Interconnection Facilities required for tying in the new 115 kV transmission line from the D150S Generating Facility into the existing Diablo 115 kV substation. Engineering and design work to occur subsequently may result in changed assumptions:

  1. One monopole dead-end structure is assumed to be required to bring the new 115 kV transmission line from the D150S Generating Facility into the existing Diablo 115 kV substation.
  2. The conductors shall be 954 kcmil “Rail” double bundled ACSR per phase.
  3. All hardware assemblies shall use EPE standard polymer insulators with compression dead-end connections.
  4. Ruling Span: 400’
  5. Loading: NESC Light District, NESC Medium District, and EPE standards.
  6. Maximum Conductor Operating Temperature: 212°F

7. Dead-end Structure Design: Self-supported single circuit monopole structure on concrete drilled shafts.
8. Design tension conductor: 25% RBS maximum under NESC Medium and 25% RBS maximum under NESC Light.
9. Shield wire: (1) 3/8" 7-strand steel EHS wire and (1) SFPOC/SFSJ-J-4062 OPGW.
10. SFPOC/SFSJ-J-4062 OPGW will be run between the D150S Generating Facility and the existing Diablo 115kV substation.
11. Design tension shield wire: 80% of conductor sag under 60°F Normal Conditions.
12. Structure Height: Dead-end structures are 85’ total length.
13. Foundations utilize reinforced drilled piers with anchor bolt cages.
14. Foundation sizes and costs were estimated based on data from other projects previously performed in the area.
15. All structures are to be galvanized and estimated cost per pound of steel is $1.75/lb.
16. Construction activities shall be completed by contractor.

- **Cost Estimate**

The cost estimate of the EPE Interconnection Facilities required to connect the D150S Generating Facility into the existing Diablo 115 kV substation is shown in Table C-23 below.

Table C-23: Diablo 115 kV Tie-In - EPE Interconnection Facilities Cost Estimate

Item	Material Cost	Labor	Total
Structure Costs	$25,000	$30,000	$55,000
Foundation Costs	$15,000	$25,000	$40,000
Installed Wires	$30,000	$33,000	$63,000
Construction - Incidentals	$0	$15,000	$15,000
Engineering	$0	$20,000	$20,000
Construction - Management	$0	$21,000	$21,000
Contingency (10%)	$7,000	$15,000	$22,000
EPE Direct Cost (6%)	$5,000	$9,000	$14,000
Total Design and Construction	**$82,000**	**$168,000**	**$250,000**

Santa Teresa 115 kV Tie-in

The following sections describe the assumptions and cost estimate for tying in the 115 kV transmission line from the ST70S Generating Facility into the existing Santa Teresa 115 kV substation.

- **Design and Construction Assumptions and Cost Estimate**

  In addition to the general cost estimate assumptions, the following specific assumptions apply to the design and construction of the EPE Interconnection Facilities required for tying in the new 115 kV transmission line from the ST70S Generating Facility into the existing Santa Teresa 115 kV substation. Engineering and design work to occur subsequently may result in changed assumptions.

  1. One monopole dead-end structure is assumed to be required to bring the new 115 kV transmission line from the ST70S Generating Facility into the existing Santa Teresa 115 kV substation.
  2. The conductors shall be 954 kcmil "Rail" double bundled ACSR per phase.
  3. All hardware assemblies shall use EPE standard polymer insulators with compression dead-end connections.
  4. Ruling Span: 400'
  5. Loading: NESC Light District, NESC Medium District, and EPE standards.
  6. Maximum Conductor Operating Temperature: 212°F
  7. Dead-end Structure Design: Self-supported single circuit monopole structure on concrete drilled shafts.
  8. Design tension conductor: 25% RBS maximum under NESC Medium and 25% RBS maximum under NESC Light.
  9. Shield wire: (1) 3/8" 7-strand steel EHS wire and (1) SFPOC/SFSJ-J-4062 OPGW.
  10. SFPOC/SFSJ-J-4062 OPGW will be run between the ST70S Generating Facility and the existing Santa Teresa 115 kV substation.
  11. Design tension shield wire: 80% of conductor sag under 60°F Normal Conditions.
  12. Structure Height: Dead-end structures are 85' total length.
  13. Foundations utilize reinforced drilled piers with anchor bolt cages.
  14. Foundation sizes and costs were estimated based on data from other projects previously performed in the area.
  15. All structures are to be galvanized and estimated cost per pound of steel is $1.75/lb.
  16. Construction activities shall be completed by contractor.

- **Cost Estimate**

  The cost estimate of the EPE Interconnection Facilities required to connect the ST70S POI into the existing Santa Teresa 115 kV substation is shown in Table C-24 below.

Table C-24: Santa Teresa 115 kV Tie-In – EPE Interconnection Facilities Cost Estimate

Item	Material Cost	Labor	Total
Structure Costs	$25,000	$30,000	$55,000
Foundation Costs	$15,000	$25,000	$40,000
Installed Wires	$30,000	$33,000	$63,000
Construction - Incidentals	$0	$15,000	$15,000
Engineering	$0	$20,000	$20,000
Construction - Management	$0	$21,000	$21,000
Contingency (10%)	$7,000	$15,000	$22,000
EPE Direct Cost (6%)	$5,000	$9,000	$14,000
Total Design and Construction	**$82,000**	**$168,000**	**$250,000**

C. COST SUMMARY

Total Cost Summary

The total cost estimates for each of the EPE Interconnection Facilities are presented in Table C-25.

Table C-25: Total EPE Interconnection Facilities Cost Estimate

AC120SB POI Substation	$682,000	$239,000	$93,000	$93,000	$223,000	$68,000	$1,398,000
AC120SB Tie-in	$68,000	$95,000	$10,000	$11,000	$19,000	$12,000	$215,000
Diablo Substation	$481,000	$208,000	$70,000	$70,000	$167,000	$52,000	$1,048,000
Diablo Tie-in	$70,000	$103,000	$20,000	$21,000	$22,000	$14,000	$250,000
Santa Teresa Substation	$412,000	$329,000	$75,000	$75,000	$179,000	$55,000	$1,125,000
Santa Teresa Tie-in	$70,000	$103,000	$20,000	$21,000	$22,000	$14,000	$250,000
Total EPE Interconnection Facilities Cost	**$1,783,000**	**$1,077,000**	**$288,000**	**$291,000**	**$632,000**	**$215,000**	**$4,286,000**

Cluster Project Cost Allocation

Network Upgrade Costs were allocated across the Fall 2017 Generation Cluster Projects proportionally, based on the requested MW size of each cluster participant. For example, ST70S has requested 70 MW of output and the total Fall 2017 Generation Cluster output requested is 340 MW. ST70S will be responsible for 20.6% (70/340) of the Network Upgrades attributed to the Fall 2017 Generation Cluster Projects.

Table C-26 shows the Network Upgrades allocated across the three (3) Fall 2017 NRIS Cluster Projects.

Table C-26: Network Upgrade Cost Allocation

Network Upgrade	AC120SB Cost	D150S Cost	ST70S Cost	Network Upgrade
AC120SB POI Substation	$4,124,824	$5,156,029	$2,406,147	$11,687,000
Diablo Substation	$353,647	$442,059	$206,294	$1,002,000
Santa Teresa Substation	$858,000	$1,072,500	$500,500	$2,431,000
Mesa Substation	$256,941	$321,176	$149,882	$728,000
Total Network Upgrade Costs	**$5,593,412**	**$6,991,765**	**$3,262,824**	**$15,848,000**

Table C-27 shows the combined EPE Interconnection and Network Upgrade costs for each of the three (3) projects in the Fall 2017 Generation Cluster.

Table C-27: Total Cost per Cluster Project

		Allocated Network	
AC120SB	$1,613,000	$5,593,412	$7,206,412
D150S	$1,298,000	$6,991,765	$8,289,765
ST70S	$1,375,000	$3,262,824	$4,637,824
Total	**$4,286,000**	**$15,848,000**	**$20,134,000**

Appendix D: Security Arrangements Details

Appendix D to LGIA

Security Arrangements Details

Infrastructure security of Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day Transmission System reliability and operational security. FERC will expect all entities, including Transmission Providers, market participants, and Interconnection Customers interconnected to the Transmission System to comply with the Reliability Standards promulgated by FERC and administered by the North American Electric Reliability Corporation (NERC) and associated Regional Reliability Organizations (RRO). In EPE's service territory, the RRO is the Western Electricity Coordinating Council (WECC).

Appendix E: Commercial Operation Date

Appendix E to LGIA

Commercial Operation Date

This Appendix E is a part of the LGIA between Transmission Provider and Interconnection Customer.

[Date]

David Tovar
P.O. Box 982 - LOC 751
El Paso, Texas 79960

Re: EDF Renewables Large Generating Facility

Dear _____:

On **[Date] EDF Renewables** has completed Trial Operation of D150S. This letter confirms that EDF Renewables commenced Commercial Operation of D150S, effective as of [**Date plus one day**].

Thank you.

[Signature]

[Interconnection Customer Representative]

Appendix F: Addresses for Delivery of Notices and Billings

Appendix F to LGIA

Addresses for Delivery of Notices and Billings

Notices:

Transmission Provider:
EPE System Planning
Attn: **David Tovar**
P.O. Box 982 - LOC 751
El Paso, Texas 79960
Tel: (915) 543-4355
Email: dav.tovar@epelectric.com

EPE System Planning
Attn: **Roberto Favela**
P.O. Box 982 - LOC 751
El Paso, Texas 79960
Tel: (915) 521-4418
Email: roberto.favela@epelectric.com

Interconnection Customer:
EDF Renewables
Attn:

Billings and Payments:

Transmission Provider:
EPE System Planning
Attn: **David Tovar**
P.O. Box 982 - LOC 751
El Paso, Texas 79960
Tel: (915) 543-4355
Email: dav.tovar@epelectric.com

Interconnection Customer:
EDF Renewables
Attn:
Address:
Tel:
Email:

Alternative Forms of Delivery of Notices (telephone, facsimile or email):

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Appendix G: Interconnection Requirements for a Non-Synchronous Generating Plant

Appendix G to LGIA

Interconnection Requirements for Non-Synchronous Generating Plant[11]

Appendix G sets forth requirements and provisions specific to a non-synchronous generating plant. All other requirements of this LGIA continue to apply to non-synchronous generating plant interconnections.

A. Technical Standards Applicable to a Non-Synchronous Generating Plant

i. Low Voltage Ride-Through (LVRT) Capability

A non-synchronous generating plant shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard below.

1. Non-synchronous generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 - 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the non-synchronous generating plant

[11] NERC sometimes posts additional guidance applicable to non-synchronous generating resources with respect to performance and response, among other things. NERC guidance may call for more stringent measures than those identified in this LGIA. The Interconnection Customer shall adhere to the more stringent measures. At least 90 days prior to energization of the Large Generating Facility, Interconnection Customer shall conform to NERC's Inverter-Based Resource Performance Guideline in its then-current form, unless this Agreement specifically calls for more stringent measures.

substation location, as determined by and documented by the transmission provider. The maximum clearing time the non-synchronous generating plant shall be required to withstand for a three-phase fault shall be 9 cycles at a voltage as low as 0.15 p.u., as measured at the high side of the non-synchronous generating plant step-up transformer (i.e. the transformer that steps the voltage up to the transmission interconnection voltage or "GSU"), after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the non-synchronous generating plant may disconnect from the transmission system.

2. This requirement does not apply to faults that would occur between the non-synchronous generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.

3. Non-synchronous generating plants may be tripped after the fault period if this action is intended as part of a special protection system.

4. Non-synchronous generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr Compensator, etc.) within the non-synchronous generating plant or by a combination of generator performance and additional equipment.

ii. Power Factor, Frequency Performance, Reactive Power and Voltage Performance Design Criteria

A non-synchronous generating plant to which this provision applies shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this LGIA. The power factor range standard shall be dynamic and can be met by using, for example, power electronics designed to supply this level of reactive capability or fixed and switched capacitors if agreed to by the Transmission Provider, or a combination of the two. The Interconnection Customer shall not disable power factor equipment while the non-synchronous plant is in operation. Non-synchronous plants shall also be able to provide sufficient dynamic voltage support in accordance with NERC recommended Interconnection guidelines for Inverter based resources which shall be met at the POI. The reactive capability of the Large Generating Facility shall be dynamic, and be able to supply and absorb reactive current to control Point of Interconnection voltage. Static reactive compensation is only to be used for compensating for losses in the collector system. The Large Generating Facility shall operate primarily in voltage support mode.

The Interconnection Customer will reserve generation headroom to provide adequate frequency ride-through response for frequency excursions outside the ±0.036 Hz deadband. The Large Generating Facility shall respond to overfrequency excursion events outside the deadband by reducing active power output in accordance with the 5 percent droop specification. The Large Generating Facility's total return time shall not exceed 1 second from momentary cessation, and the Large Generating Facility shall have an operating ramp rate of 200%/sec.

Dynamic response of the active power-frequency control system of the Large Generating Facility, as measured at the Point of Interconnection, should have the capability to meet or exceed the performance specified in Table 1.

Table 1: Dynamic Active Power-Frequency Performance

Parameter	Description	Performance Target
For a step change in frequency as measured at the POI…		
Reaction Time	Time between the step change in frequency and the time when the resource active power output begins responding to the change[i]	< 500 ms
Rise Time	Time in which the resource has reached 90% of the new steady-state (target) active power output command	< 4 sec
Settling Time	Time in which the resource has entered into, and remains within, the settling band of the new steady-state active power output command	< 10 seconds
Overshoot	Percentage of rated active power output that the resource can exceed while reaching the settling band	< 5%**
Settling Band	Percentage of rated active power output that the resource should settle to within the settling time	< 2.5%**

** Percentage based on final (expected) settling value

The Interconnection Customer is required to configure and operate the Large Generating Facility in the automatic voltage control mode necessary to control voltage at the Point of Interconnection to maintain the scheduled voltage provided by Transmission Provider. Transmission Provider and Interconnection Customer shall coordinate with each other to permit Transmission Provider to perform studies on a periodic basis to ensure that voltage schedules and voltage controls are coordinated across the Large Generating Facility and other transmission-connected reactive power devices. Studies

shall demonstrate that the Large Generating Facility complies with the most current NERC guidelines and standards.

The Large Generating Facility shall have the capability to meet or exceed the performance specified in Table 2 and Table 3. Interconnection Customer shall demonstrate compliance with these requirements.

Table 2: Small Disturbance Reactive Power-Voltage Performance

Parameter	Description	Performance Target
For a step change in voltage as measured at the POI…		
Reaction Time	Time between the step change in voltage and when the resource reactive power output begins responding to the change[ii]	< 500 ms*
Rise Time	Time between a step change in control signal input (reference voltage at POI) and when the reactive power output changes by 90% of its final value	< 1-30 sec**
Overshoot	Percentage of rated reactive power output that the resource can exceed while reaching the settling band	< 5%***

* Reactive power response to change in POI voltage should occur with no intentional time delay. ** Response time may be modified based on studied system characteristics.
*** Any overshoot in reactive power response should not cause BPS voltages to exceed acceptable voltage limits.

Table 3: Large Disturbance Reactive Current-Voltage Performance

Parameter	Description	Performance Target
For a large disturbance step change in voltage, where voltage falls outside the continuous operating range, the positive sequence component of the inverter reactive current response should meet the following performance specifications…		
Reaction Time	Time between the step change in voltage and when the resource reactive current output begins responding to the change[iii]	< 16 ms
Rise Time	Time between a step change in control signal input (reference voltage at POI) and when the reactive current output changes by 90% of its final value	< 100 ms

Overshoot	Percentage of rated reactive current output that the resource can exceed while reaching the settling band	Determined by the TP/PC*

* Any overshoot in reactive power response should not cause BPS voltages to exceed acceptable voltage limits. The magnitude of the dynamic response may be requested to be reduced by the TP or PC based on stability studies.

iii. Supervisory Control and Data Acquisition (SCADA) Capability

The non-synchronous plant shall provide SCADA capability to transmit data and receive instructions from the Transmission Provider to protect system reliability. The Transmission Provider and the non-synchronous plant Interconnection Customer shall determine what SCADA information is essential for the proposed non-synchronous plant, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability in its area.

LGIA Addendum



AC120SB
D150S

ADDENDUM TO ADJUST ALLOCATION OF NETWORK UPGRADES RESULTING FROM WITHDRAWAL OF A CLUSTER PARTICIPANT

MAY 2020

LGIA ADDENDUM

There has been a recent withdrawal of one of the cluster participants identified in Appendices A and C of this LGIA. The withdrawn project is identified in the Appendices as ST70S. This addendum presents an updated identification of facility cost estimates allocated between the two remaining cluster participants, AC120SB and D150S.

Total Cluster Projects Cost Estimates

Item	Material	Labor Cost	Engineering	Construction Mgmt	Contingency	EPE Direct	Total
EPE Interconnection Facilities	$1,601,000	$645,000	$193,000	$195,000	$431,000	$146,000	$3,211,000
Network Upgrades	$5,932,000	$2,979,000	$955,000	$828,000	$2,073,000	$650,000	$13,417,000
Estimated Cost	**$7,533,000**	**$3,624,000**	**$1,148,000**	**$1,023,000**	**$2,504,000**	**$796,000**	**$16,628,000**

Total Network Upgrade Cost & Allocation

		D150S Cost Allocation	Network
AC120SB POI Substation	$5,194,222	$6,492,778	$11,687,000
Diablo Substation	$445,333	$556,667	$1,002,000
Mesa Substation	$323,556	$404,444	$728,000
Network Upgrade Cost Per Applicant	**$5,963,111**	**$7,453,889**	**$13,417,000**

Total Cost Estimate per Cluster Project

	EPE Interconnection	Allocated Network Upgrade Costs	
AC120SB	$1,913,000	$5,963,111	$7,876,111
D150S	$1,298,000	$7,453,889	$8,751,889
Total	$3,211,000	$13,417,000	$16,628,000

El Paso Electric Company (Transmission Provider and Transmission Owner)

Signature: _____

Name: ADRIAN J. RODRIGUEZ

Title: INTERIM CEO ; GENERAL COUNSEL

Date: 05-29-2020

APPROVED AS TO FORM
OFFICE OF THE GENERAL COUNSEL

EDF Renewables Development, Inc. (Interconnection Customer, D150S)

Signature: _____

Name: Rick Miller

Title: Director

Date: May 28, 2020

Tariff Submitter:	El Paso Electric Company
FERC Tariff Program Name:	FERC FPA Electric Tariff
Tariff Title:	Open Access Transmission Tariff
Tariff Record Proposed Effective Date:	May 20, 2020
Tariff Record Title:	OATT, Nonconforming Service Agreements, Service Agreement No. 336, Large Generator Interconnection Agreement with NextEra, 0.0.0
Option Code:	A
The Entity Receiving Service Under the Agreement:	NextEra Energy Resources, LLC
Brief Description of the Service Agreement:	Nonconforming NextEra Solar LGIA

Appendix 6. STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT (LGIA)

Appendix 6 to the Standard Large Generator Interconnection Procedures

LARGE GENERATOR INTERCONNECTION AGREEMENT (LGIA)

(Applicable to Generating Facilities that exceed 20 MW)

Appendix 6. STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT (LGIA)

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Standard Large Generator Interconnection Agreement

LARGE GENERATOR INTERCONNECTION AGREEMENT

THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT ("Agreement") is made and entered into this 5th day of February, 2020, by and between NextEra Energy Resources, a _____ organized and existing under the laws of the State/Commonwealth of _____ ("Interconnection Customer" with a Large Generating Facility), and El Paso Electric Company, a corporation organized and existing under the laws of the State of Texas ("Transmission Provider and/or Transmission Owner"). Interconnection Customer and Transmission Provider each may be referred to as a "Party" or collectively as the "Parties."

Recitals

WHEREAS, Transmission Provider operates the Transmission System; and

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the Generating Facility identified as a Large Generating Facility in Appendix C to this Agreement; and,

WHEREAS, Interconnection Customer and Transmission Provider have agreed to enter into this Agreement for the purpose of interconnecting the Large Generating Facility with the Transmission System;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

When used in this Standard Large Generator Interconnection Agreement, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used or the Open Access Transmission Tariff (Tariff).

Article 1. Definitions

Adverse System Impact shall mean the negative effects due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.

Affected System shall mean an electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

Affiliate shall mean, with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

Ancillary Services shall mean those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Council shall mean the reliability council applicable to the Transmission System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Transmission System to which the Generating Facility is directly interconnected.

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies by the Transmission Provider or Interconnection Customer.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the Standard Large Generator Interconnection Agreement.

Breaching Party shall mean a Party that is in Breach of the Standard Large Generator Interconnection Agreement.

Business Day shall mean Monday through Friday, excluding Federal Holidays.

Calendar Day shall mean any day including Saturday, Sunday or a Federal Holiday.

Clustering shall mean the process whereby a group of Interconnection Requests is studied together, instead of serially, for the purpose of conducting the Interconnection System Impact Study.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Standard Large Generator Interconnection Agreement.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Control Area shall mean an electrical system or systems bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the interconnection. A Control Area must be certified by the Applicable Reliability Council.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Standard Large Generator Interconnection Agreement.

Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution System shall mean the Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

Distribution Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which the Standard Large Generator Interconnection Agreement becomes effective upon execution by the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of a Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Transmission Provider's Transmission System, Transmission Provider's Interconnection Facilities or the electric systems of others to which the Transmission Provider's Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by the Large Generator Interconnection Agreement to possess black start capability.

Energy Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to connect its Generating Facility to the Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or nonfirm capacity of the Transmission Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

Engineering & Procurement (E&P) Agreement shall mean an agreement that authorizes the Transmission Provider to begin engineering and procurement of long leadtime items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a et seq.

FERC shall mean the Federal Energy Regulatory Commission (Commission) or its successor.

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility shall mean Interconnection Customer's device for the

production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Generating Facility Capacity shall mean the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.

Good Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer, Transmission Provider, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Transmission Provider's Interconnection Facilities to obtain back feed power.

Interconnection Customer shall mean any entity, including the Transmission

Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the Transmission Provider's Transmission System. Where the Interconnection Customer and the Transmission Provider are the same entity, application of the following provisions set forth herein is not required: provisions governing the posting of security (in Articles 5 and 11), provisions governing taxes and reimbursements for tax liability (in Article 5), provisions governing indemnity, consequential damages and insurance (in Article 18), and provisions governing billing and payment (in Articles 12 and 15) (invoices are not required, but may be generated and tendered for administrative use to aid in the identification and accounting of costs).

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the Standard Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean the Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Study shall mean a study conducted by the Transmission Provider or a third party consultant for the Interconnection Customer to determine a list of facilities (including Transmission Provider's Interconnection Facilities and Network Upgrades as identified in the Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Transmission Provider's Transmission System. The scope of the study is defined in Section 8 of the Standard Large Generator Interconnection Procedures.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 3 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Facilities Study.

Interconnection Feasibility Study shall mean a preliminary evaluation of the system impact and cost of interconnecting the Generating Facility to the Transmission Provider's Transmission System, the scope of which is described in Section 6 of the

Standard Large Generator Interconnection Procedures.

Interconnection Feasibility Study Agreement shall mean the form of agreement contained in Appendix 2 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Feasibility Study.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to the Standard Large Generator Interconnection Procedures, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider's Transmission System.

Interconnection Service shall mean the service provided by the Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Transmission Provider's Transmission System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Standard Large Generator Interconnection Agreement and, if applicable, the Transmission Provider's Tariff.

Interconnection Study shall mean any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study described in the Standard Large Generator Interconnection Procedures.

Interconnection System Impact Study shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of Transmission Provider's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in the Interconnection Feasibility Study, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Standard Large Generator Interconnection Procedures.

Interconnection System Impact Study Agreement shall mean the form of agreement contained in Appendix 3 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection System Impact Study.

IRS shall mean the Internal Revenue Service.

Joint Operating Committee shall be a group made up of representatives from Interconnection Customers and the Transmission Provider to coordinate operating and

technical considerations of Interconnection Service.

Large Generating Facility shall mean a Generating Facility having a Generating Facility Capacity of more than 20 MW.

Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non performance of its obligations under the Standard Large Generator Interconnection Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnifying Party.

Material Modification shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Standard Large Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

NERC shall mean the North American Electric Reliability Council or its successor organization.

Network Resource shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Network Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission Provider's Transmission System (1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Facilities connect to the Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Standard Large Generator Interconnection Agreement or its performance.

Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 5 of the Standard Large Generator Interconnection Procedures for conducting the Optional Interconnection Study.

Party or **Parties** shall mean Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Customer's Interconnection Facilities connect to the Transmission Provider's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Facilities connect to the Transmission Provider's Transmission System.

Provisional Interconnection Service shall mean Interconnection Service provided by Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to Transmission Provider's Transmission System and enabling that Transmission System to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

Provisional Large Generator Interconnection Agreement shall mean the interconnection agreement for Provisional Interconnection Service established between Transmission Provider and/or the Transmission Owner and the Interconnection Customer. This agreement shall take the form of the Large Generator Interconnection Agreement, modified for provisional purposes.

Queue Position shall mean the order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by the Transmission Provider.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Standard Large Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Scoping Meeting shall mean the meeting between representatives of the Interconnection Customer and Transmission Provider conducted for the purpose of discussing alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection.

Site Control shall mean documentation reasonably demonstrating: (1) ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Generating Facility; (2) an option to purchase or acquire a leasehold site for such purpose; or (3) an exclusivity or other business relationship between Interconnection Customer and the entity having the right to sell, lease or grant Interconnection Customer the right to possess or occupy a site for such purpose.

Small Generating Facility shall mean a Generating Facility that has a Generating Facility Capacity of no more than 20 MW.

Stand Alone Network Upgrades shall mean Network Upgrades that are not part of an Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Large Generator Interconnection Agreement. If the Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, the Transmission Provider must provide the Interconnection Customer a written technical explanation outlining why the Transmission Provider does not consider the Network Upgrade to be a Stand Alone Network Upgrade within 15 days of its determination.

Standard Large Generator Interconnection Agreement (LGIA) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility that is included in the Transmission Provider's Tariff. This Agreement (also sometimes referred to herein as "LGIA") is non-conforming. It differs from the Standard Large Generator Interconnection Agreement. The Interconnection Customer and Transmission Provider understand and acknowledge that this Agreement is non-conforming.

Standard Large Generator Interconnection Procedures (LGIP) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that are included in the Transmission Provider's Tariff.

Surplus Interconnection Service shall mean any unneeded portion of Interconnection Service established in a Large Generator Interconnection Agreement, such that if Surplus Interconnection Service is utilized the total amount of Interconnection Service at the Point of Interconnection would remain the same.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Transmission Provider's Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Transmission Provider's Transmission System or on other delivery systems or other generating systems to which the Transmission Provider's Transmission System is directly connected.

Tariff shall mean the Transmission Provider's Tariff through which open access transmission service and Interconnection Service are offered, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

Transmission Owner shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Standard Large Generator Interconnection Agreement to the extent necessary.

Transmission Provider shall mean the public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

Transmission Provider's Interconnection Facilities shall mean all facilities and equipment owned, controlled or operated by the Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Standard Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Transmission System shall mean the facilities owned, controlled or operated by

the Transmission Provider or Transmission Owner that are used to provide transmission service under the Tariff.

Trial Operation shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

Variable Energy Resource shall mean a device for the production of electricity that is characterized by an energy source that: (1) is renewable; (2) cannot be stored by the facility owner or operator; and (3) has variability that is beyond the control of the facility owner or operator.

Article 2. Effective Date, Term, and Termination

2.1 Effective Date. This LGIA shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC. Transmission Provider shall promptly file this LGIA with FERC upon execution in accordance with Article 3.1, if required.

2.2 Term of Agreement. Subject to the provisions of Article 2.3, this LGIA shall remain in effect for a period of ten (10) years from the Effective Date or such other longer period as Interconnection Customer may request (Term to be specified in individual agreements) and shall be automatically renewed for each successive one-year period thereafter.

2.3 Termination Procedures.

2.3.1 Written Notice. This LGIA may be terminated by Interconnection Customer after giving Transmission Provider ninety (90) Calendar Days advance written notice, or by Transmission Provider notifying FERC after the Generating Facility permanently ceases Commercial Operation.

2.3.2 Default. Either Party may terminate this LGIA in accordance with Article 17.

2.3.3. Notwithstanding Articles 2.3.1 and 2.3.2, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this LGIA, which notice has been accepted for filing by FERC.

2.4 Termination Costs. If a Party elects to terminate this Agreement pursuant to Article 2.3 above, each Party shall pay all costs incurred (including any

cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party, as of the date of the other Party's receipt of such notice of termination, that are the responsibility of the Terminating Party under this LGIA. In the event of termination by a Party, the Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this LGIA, unless otherwise ordered or approved by FERC:

2.4.1 With respect to any portion of Transmission Provider's Interconnection Facilities that have not yet been constructed or installed, Transmission Provider shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Transmission Provider shall deliver such material and equipment, and, if necessary, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Transmission Provider for any or all such costs of materials or equipment not taken by Interconnection Customer, Transmission Provider shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by Transmission Provider to cancel any pending orders of or return such materials, equipment, or contracts.

If an Interconnection Customer terminates this LGIA, it shall be responsible for all costs incurred in association with that Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any Network Upgrades for which Transmission Provider has incurred expenses and has not been reimbursed by Interconnection Customer.

2.4.2 Transmission Provider may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Transmission Provider shall be responsible for all costs associated with procuring such materials, equipment, or facilities.

2.4.3 With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this LGIA, Interconnection Customer shall be responsible for all costs

associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

2.5 Disconnection. Upon termination of this LGIA, the Parties will take all appropriate steps to disconnect the Large Generating Facility from the Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the nonterminating Party's Default of this LGIA or such non-terminating Party otherwise is responsible for these costs under this LGIA.

2.6 Survival. This LGIA shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this LGIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this LGIA was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this LGIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

Article 3. Regulatory Filings

3.1 Filing. Transmission Provider shall file this LGIA (and any amendment hereto) with the appropriate Governmental Authority, if required. Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 22. If Interconnection Customer has executed this LGIA, or any amendment thereto, Interconnection Customer shall reasonably cooperate with Transmission Provider with respect to such filing and to provide any information reasonably requested by Transmission Provider needed to comply with applicable regulatory requirements.

Article 4. Scope of Service

4.1 Interconnection Product Options. Interconnection Customer has selected the following (checked) type of Interconnection Service:

4.1.1 Energy Resource Interconnection Service

4.1.1.1 The Product. Energy Resource Interconnection Service allows Interconnection Customer to connect the Large Generating Facility to the Transmission System and be eligible to deliver the Large Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an "as available" basis. To the

extent Interconnection Customer wants to receive Energy Resource Interconnection Service, Transmission Provider shall construct facilities identified in Attachment A.

4.1.1.2 **Transmission Delivery Service Implications**. Under Energy Resource Interconnection Service, Interconnection Customer will be eligible to inject power from the Large Generating Facility into and deliver power across the interconnecting Transmission Provider's Transmission System on an "as available" basis up to the amount of MWs identified in the applicable stability and steady state studies to the extent the upgrades initially required to qualify for Energy Resource Interconnection Service have been constructed. Where eligible to do so (e.g., PJM, ISONE, NYISO), Interconnection Customer may place a bid to sell into the market up to the maximum identified Large Generating Facility output, subject to any conditions specified in the interconnection service approval, and the Large Generating Facility will be dispatched to the extent Interconnection Customer's bid clears. In all other instances, no transmission delivery service from the Large Generating Facility is assured, but Interconnection Customer may obtain Point-to-Point Transmission Service, Network Integration Transmission Service, or be used for secondary network transmission service, pursuant to Transmission Provider's Tariff, up to the maximum output identified in the stability and steady state studies. In those instances, in order for Interconnection Customer to obtain the right to deliver or inject energy beyond the Large Generating Facility Point of Interconnection or to improve its ability to do so, transmission delivery service must be obtained pursuant to the provisions of Transmission Provider's Tariff. The Interconnection Customer's ability to inject its Large Generating Facility output beyond the Point of Interconnection, therefore, will depend on the existing capacity of Transmission Provider's Transmission System at such time as a transmission service request is made that would accommodate such delivery. The provision of firm Point-to-Point Transmission Service or Network Integration Transmission Service may require the construction of additional Network Upgrades.

✓ **4.1.2 Network Resource Interconnection Service**. (Selected)

4.1.2.1 **The Product**. Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility (1) in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an ISO or RTO with market based congestion management, in the same manner as all Network Resources. To the extent Interconnection Customer wants to receive Network Resource Interconnection Service, Transmission Provider shall construct the facilities identified in Attachment A to this LGIA.

4.1.2.2 **Transmission Delivery Service Implications**. Network Resource Interconnection Service allows Interconnection Customer's Large Generating Facility to be designated by any Network Customer under the Tariff on Transmission Provider's Transmission System as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur. Although Network Resource Interconnection Service does not convey a reservation of transmission service, any Network Customer under the Tariff can utilize its network service under the Tariff to obtain delivery of energy from the interconnected Interconnection Customer's Large Generating Facility in the same manner as it accesses Network Resources. A Large Generating Facility receiving Network Resource Interconnection Service may also be used to provide Ancillary Services after technical studies and/or periodic analyses are performed with respect to the Large Generating Facility's ability to provide any applicable Ancillary Services, provided that such studies and analyses have been or would be required in connection with the provision of such Ancillary Services by any existing Network Resource. However, if an Interconnection Customer's Large Generating Facility has not been designated as a Network Resource by any load, it cannot be required to provide Ancillary Services except to the extent such requirements extend to all generating facilities that are similarly situated. The provision of Network Integration Transmission Service or firm Point-to-Point Transmission

Service may require additional studies and the construction of additional upgrades. Because such studies and upgrades would be associated with a request for delivery service under the Tariff, cost responsibility for the studies and upgrades would be in accordance with FERC's policy for pricing transmission delivery services. Network Resource Interconnection Service does not necessarily provide Interconnection Customer with the capability to physically deliver the output of its Large Generating Facility to any particular load on Transmission Provider's Transmission System without incurring congestion costs. In the event of transmission constraints on Transmission Provider's Transmission System, Interconnection Customer's Large Generating Facility shall be subject to the applicable congestion management procedures in Transmission Provider's Transmission System in the same manner as Network Resources.

There is no requirement either at the time of study or interconnection, or at any point in the future, that Interconnection Customer's Large Generating Facility be designated as a Network Resource by a Network Service Customer under the Tariff or that Interconnection Customer identify a specific buyer (or sink). To the extent a Network Customer does designate the Large Generating Facility as a Network Resource, it must do so pursuant to Transmission Provider's Tariff.

Once an Interconnection Customer satisfies the requirements for obtaining Network Resource Interconnection Service, any future transmission service request for delivery from the Large Generating Facility within Transmission Provider's Transmission System of any amount of capacity and/or energy, up to the amount initially studied, will not require that any additional studies be performed or that any further upgrades associated with such Large Generating Facility be undertaken, regardless of whether or not such Large Generating Facility is ever designated by a Network Customer as a Network Resource and regardless of changes in ownership of the Large Generating Facility. However, the reduction or elimination of congestion or redispatch costs may require additional studies and the construction of additional upgrades.

To the extent Interconnection Customer enters into an arrangement for long term transmission service for deliveries from the Large Generating Facility outside Transmission Provider's Transmission System, such request may require additional studies and upgrades in order for Transmission Provider to grant such request.

4.2 Provision of Service. Transmission Provider shall provide Interconnection Service for the Large Generating Facility at the Point of Interconnection.

4.3 Performance Standards. Each Party shall perform all of its obligations under this LGIA in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this LGIA for its compliance therewith. If such Party is a Transmission Provider or Transmission Owner, then that Party shall amend the LGIA and submit the amendment to FERC for approval.

4.4 No Transmission Delivery Service. The execution of this LGIA does not constitute a request for, nor the provision of, any transmission delivery service under Transmission Provider's Tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.

4.5 Interconnection Customer Provided Services. The services provided by Interconnection Customer under this LGIA are set forth in Article 9.6 and Article 13.5.1. Interconnection Customer shall be paid for such services in accordance with Article 11.6.

Article 5. Interconnection Facilities Engineering, Procurement, and Construction

5.1 Options. Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either Standard Option or Alternate Option set forth below, and such dates and selected option shall be set forth in Appendix B, Milestones. At the same time, Interconnection Customer shall indicate whether it elects to exercise the Option to Build set forth in Article 5.1.3 below. If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days. Upon receipt of the notification that Interconnection Customer's designated dates are not acceptable to Transmission Provider, the Interconnection Customer shall notify Transmission Provider within

thirty (30) Calendar Days whether it elects to exercise the Option to Build if it has not already elected to exercise the Option to Build.

5.1.1 Standard Option. Transmission Provider shall design, procure, and construct Transmission Provider's Interconnection Facilities and Network Upgrades, using Reasonable Efforts to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the dates set forth in Appendix B, Milestones. Transmission Provider shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event Transmission Provider reasonably expects that it will not be able to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the specified dates, Transmission Provider shall promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

5.1.2 Alternate Option. If the dates designated by Interconnection Customer are acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities by the designated dates.

If Transmission Provider subsequently fails to complete Transmission Provider's Interconnection Facilities by the In-Service Date, to the extent necessary to provide back feed power; or fails to complete Network Upgrades by the Initial Synchronization Date to the extent necessary to allow for Trial Operation at full power output, unless other arrangements are made by the Parties for such Trial Operation; or fails to complete the Network Upgrades by the Commercial Operation Date, as such dates are reflected in Appendix B, Milestones; Transmission Provider shall pay Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by Interconnection Customer shall be extended day for day for each day that the applicable RTO or ISO refuses to grant clearances to install equipment.

5.1.3 Option to Build. Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades on the dates specified in Article 5.1.2. Transmission Provider and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A. Except for Stand Alone Network Upgrades, Interconnection

Customer shall have no right to construct Network Upgrades under this option.

5.1.4 Negotiated Option. If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, the Parties shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates and liquidated damages, the provision of incentives, or the procurement and construction of all facilities other than Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades if the Interconnection Customer elects to exercise the Option to Build under Article 5.1.3). If the Parties are unable to reach agreement on such terms and conditions, then, pursuant to article 5.1.1 (Standard Option), Transmission Provider shall assume responsibility for the design, procurement and construction of all facilities other than Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades if the Interconnection Customer elects to exercise the Option to Build.

5.2 General Conditions Applicable to Option to Build. If Interconnection Customer assumes responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades,

(1) Interconnection Customer shall engineer, procure equipment, and construct Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by Transmission Provider;

(2) Interconnection Customer's engineering, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of law to which Transmission Provider would be subject in the engineering, procurement or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(3) Transmission Provider shall review and approve the engineering design, equipment acceptance tests, and the construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(4) prior to commencement of construction, Interconnection Customer shall provide to Transmission Provider a schedule for construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for information

from Transmission Provider;

(5) at any time during construction, Transmission Provider shall have the right to gain unrestricted access to Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;

(6) at any time during construction, should any phase of the engineering, equipment procurement, or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by Transmission Provider, Interconnection Customer shall be obligated to remedy deficiencies in that portion of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(7) Interconnection Customer shall indemnify Transmission Provider for claims arising from Interconnection Customer's construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades under the terms and procedures applicable to Article 18.1 Indemnity;

(8) Interconnection Customer shall transfer control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to Transmission Provider;

(9) Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Transmission Provider's Interconnection Facilities and StandAlone Network Upgrades to Transmission Provider;

(10) Transmission Provider shall approve and accept for operation and maintenance Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to the extent engineered, procured, and constructed in accordance with this Article 5.2; and

(11) Interconnection Customer shall deliver to Transmission Provider "asbuilt" drawings, information, and any other documents that are reasonably required by Transmission Provider to assure that the Interconnection Facilities and Stand Alone Network Upgrades are built to the standards and specifications required by Transmission Provider.

(12) If Interconnection Customer exercises the Option to Build pursuant to Article 5.1.3, Interconnection Customer shall pay Transmission Provider an agreed upon amount for Transmission Provider to execute the

responsibilities enumerated to Transmission Provider under Article 5.2, which amount shall not be less than $25,000. Transmission Provider shall invoice Interconnection Customer for this total amount to be divided on a monthly basis pursuant to Article 12.

5.3 Liquidated Damages. The actual damages to Interconnection Customer, in the event Transmission Provider's Interconnection Facilities or Network Upgrades are not completed by the dates designated by Interconnection Customer and accepted by Transmission Provider pursuant to subparagraphs 5.1.2 or 5.1.4, above, may include Interconnection Customer's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of such uncertainty, any liquidated damages paid by Transmission Provider to Interconnection Customer in the event that Transmission Provider does not complete any portion of Transmission Provider's Interconnection Facilities or Network Upgrades by the applicable dates, shall be an amount equal to ½ of 1 percent per day of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades, in the aggregate, for which Transmission Provider has assumed responsibility to design, procure and construct.

However, in no event shall the total liquidated damages exceed 20 percent of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades for which Transmission Provider has assumed responsibility to design, procure, and construct. The foregoing payments will be made by Transmission Provider to Interconnection Customer as just compensation for the damages caused to Interconnection Customer, which actual damages are uncertain and impossible to determine at this time, and as reasonable liquidated damages, but not as a penalty or a method to secure performance of this LGIA. Liquidated damages, when the Parties agree to them, are the exclusive remedy for the Transmission Provider's failure to meet its schedule.

No liquidated damages shall be paid to Interconnection Customer if: (1) Interconnection Customer is not ready to commence use of Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for the Large Generating Facility's Trial Operation or to export power from the Large Generating Facility on the specified dates, unless Interconnection Customer would have been able to commence use of Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for Large Generating Facility's Trial Operation or to export power from the Large Generating Facility, but for Transmission Provider's delay; (2) Transmission Provider's failure to meet the specified dates is the result of the action or inaction of Interconnection Customer or any other Interconnection Customer who has entered into an LGIA with Transmission Provider or any cause beyond

Transmission Provider's reasonable control or reasonable ability to cure; (3) the Interconnection Customer has assumed responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades; or (4) the Parties have otherwise agreed.

5.4 Power System Stabilizers. The Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with the guidelines and procedures established by the Applicable Reliability Council. Transmission Provider reserves the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative. The requirements of this paragraph shall not apply to wind generators.

5.5 Equipment Procurement. If responsibility for construction of Transmission Provider's Interconnection Facilities or Network Upgrades is to be borne by Transmission Provider, then Transmission Provider shall commence design of Transmission Provider's Interconnection Facilities or Network Upgrades and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

5.5.1 Transmission Provider has completed the Facilities Study pursuant to the Facilities Study Agreement;

5.5.2 Transmission Provider has received written authorization to proceed with design and procurement from Interconnection Customer by the date specified in Appendix B, Milestones; and

5.5.3 Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.6 Construction Commencement. Transmission Provider shall commence construction of Transmission Provider's Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:

5.6.1 Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;

5.6.2 Necessary real property rights and rights-of-way have been obtained, to the

extent required for the construction of a discrete aspect of Transmission Provider's Interconnection Facilities and Network Upgrades;

5.6.3 Transmission Provider has received written authorization to proceed with construction from Interconnection Customer by the date specified in Appendix B, Milestones; and

5.6.4 Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.7 Work Progress. The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, at any time, request a progress report from the other Party. If, at any time, Interconnection Customer determines that the completion of Transmission Provider's Interconnection Facilities will not be required until after the specified In-Service Date, Interconnection Customer will provide written notice to Transmission Provider of such later date upon which the completion of Transmission Provider's Interconnection Facilities will be required.

5.8 Information Exchange. As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with Transmission Provider's Transmission System, and shall work diligently and in good faith to make any necessary design changes.

5.9 Other Interconnection Options

5.9.1. Limited Operation. If any of Transmission Provider's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Large Generating Facility, Transmission Provider shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Large Generating Facility and Interconnection Customer's Interconnection Facilities may operate prior to the completion of Transmission Provider's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA. Transmission Provider shall permit Interconnection Customer to operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.

5.9.2 Provisional Interconnection Service. Upon the request of

Interconnection Customer, and prior to completion of requisite Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities Transmission Provider may execute a Provisional Large Generator Interconnection Agreement or Interconnection Customer may request the filing of an unexecuted Provisional Large Generator Interconnection Agreement with the Interconnection Customer for limited Interconnection Service at the discretion of Transmission Provider based upon an evaluation that will consider the results of available studies. Transmission Provider shall determine, through available studies or additional studies as necessary, whether stability, short circuit, thermal, and/or voltage issues would arise if Interconnection Customer interconnects without modifications to the Generating Facility or Transmission System. Transmission Provider shall determine whether any Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities that are necessary to meet the requirements of NERC, or any applicable Regional Entity for the interconnection of a new, modified and/or expanded Generating Facility are in place prior to the commencement of Interconnection Service from the Generating Facility. Where available studies indicate that such, Interconnection Facilities, Network Upgrades, Distribution Upgrades, and/or System Protection Facilities that are required for the interconnection of a new, modified and/or expanded Generating Facility are not currently in place, Transmission Provider will perform a study, at the Interconnection Customer's expense, to confirm the facilities that are required for Provisional Interconnection Service. The maximum permissible output of the Generating Facility in the Provisional Large Generator Interconnection Agreement shall be studied and updated whenever changes experienced or projected to occur on the system warrant reevaluation of the maximum permissible output. Interconnection Customer assumes all risk and liabilities with respect to changes between the Provisional Large Generator Interconnection Agreement and the Large Generator Interconnection Agreement, including changes in output limits and Interconnection Facilities, Network Upgrades, Distribution Upgrades, and/or System Protection Facilities cost responsibilities.

5.10 Interconnection Customer's Interconnection Facilities ('ICIF'). Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.10.1 Interconnection Customer's Interconnection Facility Specifications. Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Transmission Provider at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. Transmission Provider shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

5.10.2 Transmission Provider's Review. Transmission Provider's review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be required by Transmission Provider, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider.

5.10.3 ICIF Construction. The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information and documents for the ICIF, such as: a one-line diagram, a site plan showing the Large Generating Facility and the ICIF, plan and elevation drawings showing the layout of the ICIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with Interconnection Customer's step-up transformers, the facilities connecting the Large Generating Facility to the step-up transformers and the ICIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Large Generating Facility. The Interconnection Customer shall provide Transmission Provider specifications for the excitation system, automatic voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

5.11 Transmission Provider's Interconnection Facilities Construction. Transmission Provider's Interconnection Facilities shall be designed and

constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Transmission Provider shall deliver to Interconnection Customer the following "as-built" drawings, information and documents for Transmission Provider's Interconnection Facilities (include appropriate drawings and relay diagrams).

Transmission Provider will obtain control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities.

5.12 Access Rights. Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish at no cost to the other Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large Generating Facility with the Transmission System; (ii) operate and maintain the Large Generating Facility, the Interconnection Facilities and the Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this LGIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.

5.13 Lands of Other Property Owners. If any part of Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or Transmission Provider or Transmission Owner, Transmission Provider or Transmission Owner shall at Interconnection Customer's expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades upon such property.

5.14 Permits. Transmission Provider or Transmission Owner and Interconnection Customer shall cooperate with each other in good faith in obtaining all permits, licenses and authorizations that are necessary to accomplish the interconnection in

compliance with Applicable Laws and Regulations. With respect to this paragraph, Transmission Provider or Transmission Owner shall provide permitting assistance to Interconnection Customer comparable to that provided to Transmission Provider's own, or an Affiliate's generation.

5.15 Early Construction of Base Case Facilities. Interconnection Customer may request Transmission Provider to construct, and Transmission Provider shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Network Upgrades required for Interconnection Customer to be interconnected to the Transmission System which are included in the Base Case of the Facilities Study for Interconnection Customer, and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.

5.16 Suspension. Interconnection Customer reserves the right, upon written notice to Transmission Provider, to suspend at any time all work by Transmission Provider associated with the construction and installation of Transmission Provider's Interconnection Facilities and/or Network Upgrades required under this LGIA with the condition that Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Transmission Provider's safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Transmission Provider (i) has incurred pursuant to this LGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Transmission Provider cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Transmission Provider shall obtain Interconnection Customer's authorization to do so.

Transmission Provider shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by Transmission Provider required under this LGIA pursuant to this Article 5.16, and has not requested Transmission Provider to recommence the work required under this LGIA on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Transmission Provider, if no effective date is specified.

5.17 Taxes.

5.17.1 Interconnection Customer Payments Not Taxable. The Parties intend that all payments or property transfers made by Interconnection Customer to Transmission Provider for the installation of Transmission Provider's Interconnection Facilities and the Network Upgrades shall be non-taxable, either as contributions to capital, or as an advance, in accordance with the Internal Revenue Code and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the Internal Revenue Code and any applicable state income tax laws.

5.17.2 Representations and Covenants. In accordance with IRS Notice 2001-82 and IRS Notice 88-129, Interconnection Customer represents and covenants that (i) ownership of the electricity generated at the Large Generating Facility will pass to another party prior to the transmission of the electricity on the Transmission System, (ii) for income tax purposes, the amount of any payments and the cost of any property transferred to Transmission Provider for Transmission Provider's Interconnection Facilities will be capitalized by Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of Transmission Provider's Interconnection Facilities that is a "dual-use intertie," within the meaning of IRS Notice 88-129, is reasonably expected to carry only a de minimis amount of electricity in the direction of the Large Generating Facility. For this purpose, "de minimis amount" means no more than 5 percent of the total power flows in both directions, calculated in accordance with the "5 percent test" set forth in IRS Notice 88-129. This is not intended to be an exclusive list of the relevant conditions that must be met to conform to IRS requirements for non-taxable treatment.

At Transmission Provider's request, Interconnection Customer shall provide Transmission Provider with a report from an independent engineer confirming its representation in clause (iii), above. Transmission Provider represents and covenants that the cost of Transmission Provider's Interconnection Facilities paid for by Interconnection Customer will have no net effect on the base upon which rates are determined.

5.17.3 Indemnification for the Cost Consequences of Current Tax

Liability Imposed Upon the Transmission Provider. Notwithstanding Article 5.17.1, Interconnection Customer shall protect, indemnify and hold harmless Transmission Provider from the cost consequences of any current tax liability imposed against Transmission Provider as the result of payments or property transfers made by Interconnection Customer to Transmission Provider under this LGIA for Interconnection Facilities, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Transmission Provider.

Transmission Provider shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection Customer under this LGIA unless (i) Transmission Provider has determined, in good faith, that the payments or property transfers made by Interconnection Customer to Transmission Provider should be reported as income subject to taxation or (ii) any Governmental Authority directs Transmission Provider to report payments or property as income subject to taxation; provided, however, that Transmission Provider may require Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to Transmission Provider (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 5.17. Interconnection Customer shall reimburse Transmission Provider for such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within thirty (30) Calendar Days of receiving written notification from Transmission Provider of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten year testing period and the applicable statute of limitation, as it may be extended by Transmission Provider upon request of the IRS, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 5.17.

5.17.4 **Tax Gross-Up Amount**. Interconnection Customer's liability for the cost consequences of any current tax liability under this Article 5.17 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that Interconnection Customer will pay Transmission Provider, in addition to the amount paid for the Interconnection Facilities and Network Upgrades, an

amount equal to (1) the current taxes imposed on Transmission Provider ("Current Taxes") on the excess of (a) the gross income realized by Transmission Provider as a result of payments or property transfers made by Interconnection Customer to Transmission Provider under this LGIA (without regard to any payments under this Article 5.17) (the "Gross Income Amount") over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the "Present Value Depreciation Amount"), plus (2) an additional amount sufficient to permit Transmission Provider to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1).

For this purpose, (i) Current Taxes shall be computed based on Transmission Provider's composite federal and state tax rates at the time the payments or property transfers are received and Transmission Provider will be treated as being subject to tax at the highest marginal rates in effect at that time (the "Current Tax Rate"), and (ii) the Present Value Depreciation Amount shall be computed by discounting Transmission Provider's anticipated tax depreciation deductions as a result of such payments or property transfers by Transmission Provider's current weighted average cost of capital. Thus, the formula for calculating Interconnection Customer's liability to Transmission Owner pursuant to this Article 5.17.4 can be expressed as follows: (Current Tax Rate x (Gross Income Amount - Present Value of Tax Depreciation))/(1Current Tax Rate). Interconnection Customer's estimated tax liability in the event taxes are imposed shall be stated in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.17.5 **Private Letter Ruling or Change or Clarification of Law**. At Interconnection Customer's request and expense, Transmission Provider shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Interconnection Customer to Transmission Provider under this LGIA are subject to federal income taxation. Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Interconnection Customer's knowledge. Transmission Provider and Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

Transmission Provider shall keep Interconnection Customer fully informed of the status of such request for a private letter ruling and shall execute either a privacy act waiver or a limited power of attorney, in a form acceptable to the IRS, that authorizes Interconnection Customer to participate in all discussions with the IRS regarding such request for a private letter ruling. Transmission Provider shall allow Interconnection Customer to attend all meetings with IRS officials about the request and shall permit Interconnection Customer to prepare the initial drafts of any follow-up letters in connection with the request.

5.17.6 **Subsequent Taxable Events**. If, within 10 years from the date on which the relevant Transmission Provider's Interconnection Facilities are placed in service, (i) Interconnection Customer Breaches the covenants contained in Article 5.17.2, (ii) a "disqualification event" occurs within the meaning of IRS Notice 88-129, or (iii) this LGIA terminates and Transmission Provider retains ownership of the Interconnection Facilities and Network Upgrades, Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on Transmission Provider, calculated using the methodology described in Article 5.17.4 and in accordance with IRS Notice 90-60.

5.17.7 **Contests**. In the event any Governmental Authority determines that Transmission Provider's receipt of payments or property constitutes income that is subject to taxation, Transmission Provider shall notify Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by Interconnection Customer and at Interconnection Customer's sole expense, Transmission Provider may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Interconnection Customer's written request and sole expense, Transmission Provider may file a claim for refund with respect to any taxes paid under this Article 5.17, whether or not it has received such a determination. Transmission Provider reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but Transmission Provider shall keep Interconnection Customer informed, shall consider in good faith suggestions from Interconnection Customer about the conduct of the contest, and shall reasonably permit Interconnection Customer or an Interconnection Customer representative to attend contest

proceedings.

Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement or other contest. At any time during the contest, Transmission Provider may agree to a settlement either with Interconnection Customer's consent or after obtaining written advice from nationally-recognized tax counsel, selected by Transmission Provider, but reasonably acceptable to Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation.

Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully grossed-up bases to cover any related cost consequences of the current tax liability. Any settlement without Interconnection Customer's consent or such written advice will relieve Interconnection Customer from any obligation to indemnify Transmission Provider for the tax at issue in the contest.

5.17.8 **Refund**. In the event that (a) a private letter ruling is issued to Transmission Provider which holds that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Provider under the terms of this LGIA is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Transmission Provider in good faith that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Provider under the terms of this LGIA is not taxable to Transmission Provider, (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by Interconnection Customer to Transmission Provider are not subject to federal income tax, or (d) if Transmission Provider receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by Interconnection Customer to Transmission Provider pursuant to this LGIA, Transmission Provider shall promptly refund to Interconnection Customer the following:

(i) any payment made by Interconnection Customer under this Article 5.17 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon,

(ii) interest on any amounts paid by Interconnection Customer to Transmission Provider for such taxes which Transmission Provider did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC's regulations at 18 CFR §35.19a(a)(2)(iii) from the date payment was made by Interconnection Customer to the date Transmission Provider refunds such payment to Interconnection Customer, and

(iii) with respect to any such taxes paid by Transmission Provider, any refund or credit Transmission Provider receives or to which it may be entitled from any Governmental Authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to Transmission Provider for such overpayment of taxes (including any reduction in interest otherwise payable by Transmission Provider to any Governmental Authority resulting from an offset or credit); provided, however, that Transmission Provider will remit such amount promptly to Interconnection Customer only after and to the extent that Transmission Provider has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to Transmission Provider's Interconnection Facilities.

The intent of this provision is to leave the Parties, to the extent practicable, in the event that no taxes are due with respect to any payment for Interconnection Facilities and Network Upgrades hereunder, in the same position they would have been in had no such tax payments been made.

5.17.9 **Taxes Other Than Income Taxes**. Upon the timely request by Interconnection Customer, and at Interconnection Customer's sole expense, Transmission Provider may appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Transmission Provider for which Interconnection Customer may be required to reimburse Transmission Provider under the terms of this LGIA. Interconnection Customer shall pay to Transmission Provider on a

periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Interconnection Customer and Transmission Provider shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Interconnection Customer to Transmission Provider for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Transmission Provider.

5.17.10 **Transmission Owners Who Are Not Transmission Providers**. If Transmission Provider is not the same entity as the Transmission Owner, then (i) all references in this Article 5.17 to Transmission Provider shall be deemed also to refer to and to include the Transmission Owner, as appropriate, and (ii) this LGIA shall not become effective until such Transmission Owner shall have agreed in writing to assume all of the duties and obligations of Transmission Provider under this Article 5.17 of this LGIA.

5.18 **Tax Status**. Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this LGIA is intended to adversely affect any Transmission Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds.

5.19 **Modification**.

5.19.1 **General**. Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide to the other Party sufficient information regarding such modification so that the other Party may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Large Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period

upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

In the case of Large Generating Facility modifications that do not require Interconnection Customer to submit an Interconnection Request, Transmission Provider shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the Transmission System, Transmission Provider's Interconnection Facilities or Network Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

5.19.2 **Standards**. Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this LGIA and Good Utility Practice.

5.19.3 **Modification Costs**. Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that Transmission Provider makes to Transmission Provider's Interconnection Facilities or the Transmission System to facilitate the interconnection of a third party to Transmission Provider's Interconnection Facilities or the Transmission System, or to provide transmission service to a third party under Transmission Provider's Tariff. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to Interconnection Customer's Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer's Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

Article 6. Testing and Inspection

6.1 **Pre-Commercial Operation Date Testing and Modifications**. Prior to the Commercial Operation Date, Transmission Provider shall test Transmission Provider's Interconnection Facilities and Network Upgrades and Interconnection Customer shall test the Large Generating Facility and Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection Customer shall generate test energy at the Large Generating Facility only if it has arranged for the delivery of such test energy.

6.2 **Post-Commercial Operation Date Testing and Modifications**. Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Large Generating Facility with the Transmission System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.

6.3 **Right to Observe Testing**. Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.

6.4 **Right to Inspect**. Each Party shall have the right, but shall have no obligation to: (i) observe the other Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; (ii) review the settings of the other Party's System Protection Facilities and other protective equipment; and (iii) review the other Party's maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. For any Interconnection Customer equipment or facilities housed within Transmission Provider's control building or at other Transmission Provider facilities, Interconnection Customer shall promptly provide Transmission Provider, upon request, documentation demonstrating compliance with NERC Reliability Standards in connection with any such equipment or facilities of Interconnection Customer. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be deemed to be Confidential Information and treated pursuant to Article 22 of this LGIA.

Article 7. Metering

7.1 **General**. Each Party shall comply with the Applicable Reliability Council requirements. Unless otherwise agreed by the Parties, Transmission Provider shall install Metering Equipment at the Point of Interconnection prior to any operation of the Large Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Large Generating Facility shall be measured at or, at Transmission Provider's option,

compensated to, the Point of Interconnection. Transmission Provider shall provide metering quantities, in analog and/or digital form, to Interconnection Customer upon request. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.

7.2 **Check Meters**. Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check Transmission Provider's meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this LGIA, except as provided in Article 7.4 below. The check meters shall be subject at all reasonable times to inspection and examination by Transmission Provider or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.

7.3 **Standards**. Transmission Provider shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards.

7.4 **Testing of Metering Equipment**. Transmission Provider shall inspect and test all Transmission Provider-owned Metering Equipment upon installation and at least once every two (2) years thereafter. If requested to do so by Interconnection Customer, Transmission Provider shall, at Interconnection Customer's expense, inspect or test Metering Equipment more frequently than every two (2) years. Transmission Provider shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer's expense, in order to provide accurate metering, unless the inaccuracy or defect is due to Transmission Provider's failure to maintain, then Transmission Provider shall pay. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than two percent from the measurement made by the standard meter used in the test, Transmission Provider shall adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using Interconnection Customer's check meters, if installed. If no such check meters are installed or if the period cannot be reasonably ascertained, the adjustment shall be for the period immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last previous test of the Metering Equipment.

7.5 **Metering Data**. At Interconnection Customer's expense, the metered data shall be telemetered to one or more locations designated by Transmission Provider and one

or more locations designated by Interconnection Customer. Such telemetered data shall be used, under normal operating conditions, as the official measurement of the amount of energy delivered from the Large Generating Facility to the Point of Interconnection.

Article 8. Communications

8.1 Interconnection Customer Obligations. Interconnection Customer shall maintain satisfactory operating communications with Transmission Provider's Transmission System dispatcher or representative designated by Transmission Provider. Interconnection Customer shall provide standard voice line, dedicated voice line and facsimile communications at its Large Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to Transmission Provider as set forth in Appendix D, Security Arrangements Details. The data circuit(s) shall extend from the Large Generating Facility to the location(s) specified by Transmission Provider. Any required maintenance of such communications equipment shall be performed by Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.

8.2 Remote Terminal Unit. Prior to the Initial Synchronization Date of the Large Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by Transmission Provider at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Transmission Provider through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The communication protocol for the data circuit(s) shall be specified by Transmission Provider. Instantaneous bi-directional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by Transmission Provider.

Each Party will promptly advise the other Party if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.

8.3 No Annexation. Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise

mutually agreed by the Parties.

8.4 Provision of Data from a Variable Energy Resource. The Interconnection Customer whose Generating Facility is a Variable Energy Resource shall provide meteorological and forced outage data to the Transmission Provider to the extent necessary for the Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The Interconnection Customer with a Variable Energy Resource having wind as the energy source, at a minimum, will be required to provide the Transmission Provider with site-specific meteorological data including: temperature, wind speed, wind direction, and atmospheric pressure. The Interconnection Customer with a Variable Energy Resource having solar as the energy source, at a minimum, will be required to provide the Transmission Provider with site-specific meteorological data including: temperature, atmospheric pressure, and irradiance. The Transmission Provider and Interconnection Customer whose Generating Facility is a Variable Energy Resource shall mutually agree to any additional meteorological data that are required for the development and deployment of a power production forecast. The Interconnection Customer whose Generating Facility is a Variable Energy Resource also shall submit data to the Transmission Provider regarding all forced outages to the extent necessary for the Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The exact specifications of the meteorological and forced outage data to be provided by the Interconnection Customer to the Transmission Provider, including the frequency and timing of data submittals, shall be made taking into account the size and configuration of the Variable Energy Resource, its characteristics, location, and its importance in maintaining generation resource adequacy and transmission system reliability in its area. All requirements for meteorological and forced outage data must be commensurate with the power production forecasting employed by the Transmission Provider. Such requirements for meteorological and forced outage data are set forth in Appendix C, Interconnection Details, of this LGIA, as they may change from time to time.

Article 9. Operations

9.1 General. Each Party shall comply with the Applicable Reliability Council requirements. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

9.2 Control Area Notification. At least three months before Initial Synchronization Date, Interconnection Customer shall notify Transmission Provider in writing of the Control Area in which the Large Generating Facility will be located. If

Interconnection Customer elects to locate the Large Generating Facility in a Control Area other than the Control Area in which the Large Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this LGIA, and remote Control Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the other Control Area.

9.3 Transmission Provider Obligations. Transmission Provider shall cause the Transmission System and Transmission Provider's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA. Transmission Provider may provide operating instructions to Interconnection Customer consistent with this LGIA and Transmission Provider's operating protocols and procedures as they may change from time to time. Transmission Provider will consider changes to its operating protocols and procedures proposed by Interconnection Customer.

9.4 Interconnection Customer Obligations. Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA. Interconnection Customer shall operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Control Area of which it is part, as such requirements are set forth in Appendix C, Interconnection Details, of this LGIA. Appendix C, Interconnection Details, will be modified to reflect changes to the requirements as they may change from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this LGIA.

9.5 Start-Up and Synchronization. Consistent with the Parties' mutually acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Large Generating Facility to Transmission Provider's Transmission System.

9.6 Reactive Power and Primary Frequency Response.

9.6.1 Power Factor Design Criteria.

9.6.1.1 Synchronous Generation. Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has

established different requirements that apply to all generators in the Control Area on a comparable basis.

9.6.1.2 Non-Synchronous Generation. Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery to the Point of Interconnection at continuous rated power output at a power factor within the range of 0.95 leading to 0.95 lagging. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors, or a combination of the two. This requirement shall apply to newly interconnecting non-synchronous generators. Transmission Provider may request of Interconnection Customer during the term of this Agreement evidence of continued satisfaction of the power factor range requirement at the Point of Interconnection. Interconnection Customer promptly shall provide such evidence, if requested. To the extent that Transmission Provider has the capability to independently monitor at the Point of Interconnection the Interconnection Customer's power range, it shall be free to do so, and may alert the Interconnection Customer to any deviations it identifies. Transmission Provider may request of Interconnection Customer during the term of this Agreement evidence of continued satisfaction of the power factor range requirement at the Point of Interconnection. Interconnection Customer promptly shall provide such evidence, if requested. To the extent that Transmission Provider has the capability to independently monitor at the Point of Interconnection the Interconnection Customer's power range, it shall be free to do so, and may alert the Interconnection Customer to any deviations it identifies.

9.6.2 Voltage Schedules. Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Transmission Provider shall require Interconnection Customer to operate the Large Generating Facility to produce or absorb reactive power within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power

Factor Design Criteria). Transmission Provider's voltage schedules shall treat all sources of reactive power in the Control Area in an equitable and not unduly discriminatory manner. Transmission Provider shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one (1) day in advance, and may make changes to such schedules as necessary to maintain the reliability of the Transmission System. Interconnection Customer shall operate the Large Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the System Operator.

9.6.2.1 **Voltage Regulators**. Whenever the Large Generating Facility is operated in parallel with the Transmission System and voltage regulators are capable of operation, Interconnection Customer shall operate the Large Generating Facility with its voltage regulators in automatic operation. If the Large Generating Facility's voltage regulators are not capable of such automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative, and ensure that such Large Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Large Generating Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the Transmission System or trip any generating unit comprising the Large Generating Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators in the Control Area on a comparable basis.

9.6.3 **Payment for Reactive Power**. Transmission Provider is required to pay Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Large Generating Facility when Transmission Provider requests Interconnection Customer to operate its Large Generating Facility outside the range specified in Article 9.6.1, and Appendix G, provided that if Transmission Provider pays its own or affiliated generators for reactive power service within the specified range, it must also pay Interconnection Customer. Payments shall be pursuant to Article 11.6 or

such other agreement to which the Parties have otherwise agreed.

9.6.4 Primary Frequency Response. Interconnection Customer shall ensure the primary frequency response capability of its Large Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term "functioning governor or equivalent controls" as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Large Generating Facility's real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop and ±0.036 Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from an approved NERC Reliability Standard providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Large Generating Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Large Generating Facility's real power output in response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected change in the Large Generating Facility's real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify Transmission Provider that the primary frequency response capability of the Large Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Interconnection Customer shall operate the Large Generating Facility consistent with the provisions specified in Sections 9.6.4.1 and 9.6.4.2 of this Agreement. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Large Generating Facilities.

9.6.4.1 Governor or Equivalent Controls. Whenever the Large

Generating Facility is operated in parallel with the Transmission System, Interconnection Customer shall operate the Large Generating Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall: (1) in coordination with Transmission Provider and/or the relevant balancing authority, set the deadband parameter to: (1) a maximum of ±0.036 Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop and deadband settings from an approved NERC Reliability Standard that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to Transmission Provider and/or the relevant balancing authority upon request. If Interconnection Customer needs to operate the Large Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify Transmission Provider and the relevant balancing authority, and provide both with the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to keep outages of the Large Generating Facility's governor or equivalent controls to a minimum whenever the Large Generating Facility is operated in parallel with the Transmission System.

9.6.4.2 **Timely and Sustained Response.** Interconnection Customer shall ensure that the Large Generating Facility's real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Large Generating Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not

inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Large Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. A Commission-approved Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

9.6.4.3 **Exemptions**. Large Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Sections 9.6.4, 9.6.4.1, and 9.6.4.2 of this Agreement. Large Generating Facilities that are behind the meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in Section 9.6.4, but shall be otherwise exempt from the operating requirements in Sections 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.4 of this Agreement.

9.6.4.4 **Electric Storage Resources**. Interconnection Customer interconnecting an electric storage resource shall establish an operating range in Appendix C of its LGIA that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Sections 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.3 of this Agreement. Appendix C shall specify whether the operating range is static or dynamic, and shall consider (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6)

any other relevant factors agreed to by Transmission Provider and Interconnection Customer, and in consultation with the relevant transmission owner or balancing authority as appropriate. If the operating range is dynamic, then Appendix C must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with Section 9.6.4.2 of this Agreement when it is online and dispatched to inject electricity to the Transmission System and/or receive electricity from the Transmission System. This excludes circumstances when the electric storage resource is not dispatched to inject electricity to the Transmission System and/or dispatched to receive electricity from the Transmission System. If Interconnection Customer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Interconnection Customer's electric storage resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

9.7 Outages and Interruptions.

9.7.1 Outages.

9.7.1.1 Outage Authority and Coordination. Each Party may in accordance with Good Utility Practice in coordination with the other Party remove from service any of its respective Interconnection Facilities or Network Upgrades that may impact the other Party's facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service will use Reasonable Efforts to schedule such removal on a date and time mutually acceptable to the Parties. In all circumstances, any Party planning to remove such facility(ies) from service shall use

Reasonable Efforts to minimize the effect on the other Party of such removal.

9.7.1.2 **Outage Schedules**. Transmission Provider shall post scheduled outages of its transmission facilities on the OASIS. Interconnection Customer shall submit its planned maintenance schedules for the Large Generating Facility to Transmission Provider for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its planned maintenance schedules as necessary. Transmission Provider may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the Transmission System; provided, however, adequacy of generation supply shall not be a criterion in determining Transmission System reliability. Transmission Provider shall compensate Interconnection Customer for any additional direct costs that Interconnection Customer incurs as a result of having to reschedule maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent Transmission Provider's request to reschedule maintenance. Interconnection Customer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, Interconnection Customer had modified its schedule of maintenance activities.

9.7.1.3 **Outage Restoration**. If an outage on a Party's Interconnection Facilities or Network Upgrades adversely affects the other Party's operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, to the extent such information is known, information on the nature of the Emergency Condition, an estimated time of restoration, and any corrective actions required. Initial verbal notice shall be followed up as soon as practicable with written notice explaining the nature of the outage.

9.7.2 **Interruption of Service**. If required by Good Utility Practice to do so, Transmission Provider may require Interconnection Customer to interrupt

or reduce deliveries of electricity if such delivery of electricity could adversely affect Transmission Provider's ability to perform such activities as are necessary to safely and reliably operate and maintain the Transmission System. The following provisions shall apply to any interruption or reduction permitted under this Article 9.7.2:

9.7.2.1 The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice;

9.7.2.2 Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all generating facilities directly connected to the Transmission System;

9.7.2.3 When the interruption or reduction must be made under circumstances which do not allow for advance notice, Transmission Provider shall notify Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written notification as soon as practicable;

9.7.2.4 Except during the existence of an Emergency Condition, when the interruption or reduction can be scheduled without advance notice, Transmission Provider shall notify Interconnection Customer in advance regarding the timing of such scheduling and further notify Interconnection Customer of the expected duration. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to Interconnection Customer and Transmission Provider;

9.7.2.5 The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Large Generating Facility, Interconnection Facilities, and the Transmission System to their normal operating state, consistent with system conditions and Good Utility Practice.

9.7.3 Under-Frequency and Over Frequency Conditions. The Transmission System is designed to automatically activate a load-shed program as required by the Applicable Reliability Council in the event of an under-frequency system disturbance. Interconnection Customer shall implement

under-frequency and over-frequency relay set points for the Large Generating Facility as required by the Applicable Reliability Council to ensure "ride through" capability of the Transmission System. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with Transmission Provider in accordance with Good Utility Practice. The term "ride through" as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the Transmission System during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice. Dynamic response of the active power-frequency control system of the Large Generating Facility, as measured at the Point of Interconnection, shall have the capability to meet or exceed the performance specified in Appendix G.

9.7.4 System Protection and Other Control Requirements.

9.7.4.1 **System Protection Facilities**. Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider shall install at Interconnection Customer's expense any System Protection Facilities that may be required on Transmission Provider's Interconnection Facilities or the Transmission System as a result of the interconnection of the Large Generating Facility and Interconnection Customer's Interconnection Facilities.

9.7.4.2 Each Party's protection facilities shall be designed and coordinated with other systems in accordance with Good Utility Practice.

9.7.4.3 Each Party shall be responsible for protection of its facilities consistent with Good Utility Practice.

9.7.4.4 Each Party's protective relay design shall incorporate the necessary test switches to perform the tests required in Article 6. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of Interconnection Customer's units.

9.7.4.5 Each Party will test, operate and maintain System Protection Facilities in accordance with Good Utility Practice. Each Party will be responsible for adherence to the testing and maintenance required under the NERC Reliability Standards and other requirements with respect to the Protection Facilities it owns. It is contemplated that certain components of Protection Facilities owned by Interconnection Customer, including relays associated with gen-tie breaker(s), may be housed in the control building within the fenced perimeter of the new substation to be constructed under this Agreement. The new substation is on the Transmission Provider's side of the PCO; however, Interconnection Customer shall own and have compliance responsibility for any such Protection Facility components. Transmission Provider shall allow for Interconnection Customer's access to such components, upon reasonable advance written request of Interconnection Customer, for such purpose.

9.7.4.6 Prior to the In-Service Date, and again prior to the Commercial Operation Date, each Party or its agent shall perform a complete calibration test and functional trip test of the System Protection Facilities. At intervals suggested by Good Utility Practice and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its System Protection Facilities. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

9.7.5 Requirements for Protection. In compliance with Good Utility Practice, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the Transmission System not otherwise isolated by Transmission Provider's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Transmission System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Large Generating Facility and the Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be

responsible for protection of the Large Generating Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and Interconnection Customer's other equipment if conditions on the Transmission System could adversely affect the Large Generating Facility.

9.7.6 Power Quality. Neither Party's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard. In the event of a conflict between ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, ANSI Standard C84.1-1989, or the applicable superseding electric industry standard, shall control. Transmission Provider has the right to monitor and to give operating instructions to Interconnection Customer in situations in which the Large Generating Facility must reduce its output in order for the Transmission Provider to protect against adverse voltage-related impacts or other impacts that would put the transmission system at risk.

9.8 Switching and Tagging Rules. Each Party shall provide the other Party a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

9.9 Use of Interconnection Facilities by Third Parties.

9.9.1 Purpose of Interconnection Facilities. Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Large Generating Facility to the Transmission System and shall be used for no other purpose.

9.9.2 Third Party Users. If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use Transmission Provider's Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use

of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to FERC for resolution.

9.10 Disturbance Analysis Data Exchange. The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or Transmission Provider's Transmission System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.

Article 10. Maintenance

10.1 Transmission Provider Obligations. Transmission Provider shall maintain the Transmission System and Transmission Provider's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.2 Interconnection Customer Obligations. Interconnection Customer shall maintain the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.3 Coordination. The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Large Generating Facility and the Interconnection Facilities.

10.4 Secondary Systems. Each Party shall cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical

circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

10.5 Operating and Maintenance Expenses. Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of Transmission Provider's Interconnection Facilities.

Article 11. Performance Obligation

11.1 Interconnection Customer Interconnection Facilities. Interconnection Customer shall design, procure, construct, install, own and/or control Interconnection Customer Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at its sole expense.

11.2 Transmission Provider's Interconnection Facilities. Transmission Provider or Transmission Owner shall design, procure, construct, install, own and/or control the Transmission Provider's Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at the sole expense of the Interconnection Customer.

11.3 Network Upgrades and Distribution Upgrades. Transmission Provider or Transmission Owner shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades. The Interconnection Customer shall be responsible for all costs related to Distribution Upgrades. Unless Transmission Provider or Transmission Owner elects to fund the capital for the Network Upgrades, they shall be solely funded by Interconnection Customer.

11.4 Transmission Credits.

11.4.1 Repayment of Amounts Advanced for Network Upgrades. Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to Transmission Provider and Affected System Operator, if any, for the Network Upgrades, including any tax gross-up or other tax-related payments associated with Network Upgrades, and not refunded to Interconnection

Customer pursuant to Article 5.17.8 or otherwise, to be paid to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under Transmission Provider's Tariff and Affected System's Tariff for transmission services with respect to the Large Generating Facility. Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. Interconnection Customer may assign such repayment rights to any person.

Notwithstanding the foregoing, Interconnection Customer, Transmission Provider, and Affected System Operator may adopt any alternative payment schedule that is mutually agreeable so long as Transmission Provider and Affected System Operator take one of the following actions no later than five years from the Commercial Operation Date: (1) return to Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that Transmission Provider or Affected System Operator will continue to provide payments to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the Commercial Operation Date.

If the Large Generating Facility fails to achieve commercial operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, Transmission Provider and Affected System Operator shall at that time reimburse Interconnection Customer for the amounts advanced for the Network Upgrades. Before any such reimbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the Generating Facility, if different, is responsible for identifying the entity to which reimbursement must be made.

11.4.2 Special Provisions for Affected Systems. Unless Transmission Provider provides, under the LGIA, for the repayment of amounts advanced to Affected System Operator for Network Upgrades, Interconnection Customer and Affected System Operator shall enter

into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by Interconnection Customer to the Affected System Operator as well as the repayment by the Affected System Operator.

11.4.3 Notwithstanding any other provision of this LGIA, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that Interconnection Customer, shall be entitled to, now or in the future under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Large Generating Facility.

11.5 Provision of Security. At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, Interconnection Customer shall provide Transmission Provider, at Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Transmission Provider and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to Transmission Provider for these purposes.

In addition:

11.5.1 The guarantee must be made by an entity that meets the creditworthiness requirements of Transmission Provider, and contain terms and conditions that guarantee payment of any amount that may be due from Interconnection Customer, up to an agreed-to maximum amount.

11.5.2 The letter of credit must be issued by a financial institution reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

11.5.3 The surety bond must be issued by an insurer reasonably acceptable to Transmission Provider and must specify a reasonable expiration

date.

11.6 Interconnection Customer Compensation. If Transmission Provider requests or directs Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for Reactive Power), or 13.5.1 of this LGIA, Transmission Provider shall compensate Interconnection Customer in accordance with Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to an RTO or ISO FERC-approved rate schedule. Interconnection Customer shall serve Transmission Provider or RTO or ISO with any filing of a proposed rate schedule at the time of such filing with FERC. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb any Reactive Power under this LGIA, Transmission Provider agrees to compensate Interconnection Customer in such amount as would have been due Interconnection Customer had the rate schedule been in effect at the time service commenced; provided, however, that such rate schedule must be filed at FERC or other appropriate Governmental Authority within sixty (60) Calendar Days of the commencement of service.

11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition. Transmission Provider or RTO or ISO shall compensate Interconnection Customer for its provision of real and reactive power and other Emergency Condition services that Interconnection Customer provides to support the Transmission System during an Emergency Condition in accordance with Article 11.6.

Article 12. Invoice

12.1 General. Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this LGIA, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

12.2 Final Invoice. Within six months after completion of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades, Transmission Provider shall provide an invoice of the final cost of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain

deviations, if any, from the cost estimates. Transmission Provider shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

12.3 Payment. Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by either Party will not constitute a waiver of any rights or claims either Party may have under this LGIA.

12.4 Disputes. In the event of a billing dispute between Transmission Provider and Interconnection Customer, Transmission Provider shall continue to provide Interconnection Service under this LGIA as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Transmission Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then Transmission Provider may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accord with the methodology set forth in FERC's regulations at 18 CFR § 35.19a(a)(2)(iii).

Article 13. Emergencies

13.1 Definition. "Emergency Condition" shall mean a condition or situation: (i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (ii) that, in the case of Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (iii) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Large Generating Facility or Interconnection Customer's Interconnection Facilities' System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by this LGIA to possess black start capability.

13.2 **Obligations**. Each Party shall comply with the Emergency Condition procedures of the applicable ISO/RTO, NERC, the Applicable Reliability Council, Applicable Laws and Regulations, and any emergency procedures agreed to by the Joint Operating Committee.

13.3 **Notice**. Transmission Provider shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects Transmission Provider's Interconnection Facilities or the Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Transmission Provider promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the Transmission System or Transmission Provider's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer's or Transmission Provider's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.

13.4 **Immediate Action**. Unless, in Interconnection Customer's reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Transmission Provider, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Large Generating Facility or Interconnection Customer's Interconnection Facilities in response to an Emergency Condition either declared by Transmission Provider or otherwise regarding the Transmission System.

13.5 **Transmission Provider Authority**.

13.5.1 **General**. Transmission Provider may take whatever actions or inactions with regard to the Transmission System or Transmission Provider's Interconnection Facilities it deems necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Transmission System or Transmission Provider's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

Transmission Provider shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider may, on the basis of technical considerations,

require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, startup, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing Interconnection Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of Transmission Provider's operating instructions concerning Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

13.5.2 **Reduction and Disconnection**. Transmission Provider may reduce Interconnection Service or disconnect the Large Generating Facility or Interconnection Customer's Interconnection Facilities, when such, reduction or disconnection is necessary under Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from any right of curtailment of Transmission Provider pursuant to Transmission Provider's Tariff. When Transmission Provider can schedule the reduction or disconnection in advance, Transmission Provider shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and Transmission Provider. Any reduction or disconnection shall continue only for so long as reasonably necessary under Good Utility Practice. The Parties shall cooperate with each other to restore the Large Generating Facility, the Interconnection Facilities, and the Transmission System to their normal operating state as soon as practicable consistent with Good Utility Practice.

13.6 **Interconnection Customer Authority**. Consistent with Good Utility Practice and the LGIA and the LGIP, Interconnection Customer may take actions or inactions with regard to the Large Generating Facility or Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Large Generating

Facility or Interconnection Customer's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Transmission System and Transmission Provider's Interconnection Facilities. Transmission Provider shall use Reasonable Efforts to assist Interconnection Customer in such actions.

13.7 Limited Liability. Except as otherwise provided in Article 11.6.1 of this LGIA, neither Party shall be liable to the other for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.

Article 14. Regulatory Requirements and Governing Law

14.1 Regulatory Requirements. Each Party's obligations under this LGIA shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this LGIA shall require Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act, the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978.

14.2 Governing Law.

14.2.1 The validity, interpretation and performance of this LGIA and each of its provisions shall be governed by the laws of the state where the Point of Interconnection is located, without regard to its conflicts of law principles.

14.2.2 This LGIA is subject to all Applicable Laws and Regulations.

14.3.3 Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

Article 15. Notices.

15.1 General. Unless otherwise provided in this LGIA, any notice, demand or request required or permitted to be given by either Party to the other and any instrument

required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.

Either Party may change the notice information in this LGIA by giving five (5) Business Days written notice prior to the effective date of the change.

15.2 Billings and Payments. Billings and payments shall be sent to the addresses set out in Appendix F.

15.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F.

15.4 Operations and Maintenance Notice. Each Party shall notify the other Party in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10.

Article 16. Force Majeure

16.1 Force Majeure.

16.1.1 Economic hardship is not considered a Force Majeure event.

16.1.2 Neither Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove

such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

Article 17. Default

17.1 Default

17.1 **General.** No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this LGIA or the result of an act of omission of the other Party. Upon a Breach, the non-breaching Party shall give written notice of such Breach to the breaching Party. Except as provided in Article 17.1.2, the breaching Party shall have thirty (30) Calendar Days from receipt of the Default notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

17.2 **Right to Terminate.** If a Breach is not cured as provided in this article, or if a Breach is not capable of being cured within the period provided for herein, the non-breaching Party shall have the right to declare a Default and terminate this LGIA by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this LGIA, to recover from the breaching 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 article will survive termination of this LGIA.

Article 18. Indemnity, Consequential Damages and Insurance

18.1 **Indemnity**. The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under this LGIA on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing

by the indemnified Party.

18.1.1 **Indemnified Person**. If an Indemnified Person is entitled to indemnification under this Article 18 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 18.1, to assume the defense of such claim, such Indemnified Person may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

18.1.2 **Indemnifying Party**. If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Article 18, the amount owing to the Indemnified Person shall be the amount of such Indemnified Person's actual Loss, net of any insurance or other recovery.

18.1.3 **Indemnity Procedures**. Promptly after receipt by an Indemnified Person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Article 18.1 may apply, the Indemnified Person shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.

The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Person. If the defendants in any such action include one or more Indemnified Persons and the Indemnifying Party and if the Indemnified Person reasonably concludes that there may be legal defenses available to it and/or other Indemnified Persons which are different from or additional to those available to the Indemnifying Party, the Indemnified Person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Person or Indemnified Persons having such differing or additional legal defenses.

The Indemnified Person shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party.

Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Person and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Person, or there exists a conflict or adversity of interest between the Indemnified Person and the Indemnifying Party, in such event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Person, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Person, which shall not be reasonably withheld, conditioned or delayed.

18.2 Consequential Damages. Other than the Liquidated Damages heretofore described, in no event shall either Party be liable under any provision of this LGIA 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.

18.3 Insurance. Each party shall, at its own expense, maintain in force throughout the period of this LGIA, and until released by the other Party, the following minimum insurance coverages, with insurers authorized to do business in the state where the Point of Interconnection is located:

18.3.1 Employers' Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the state in which the Point of Interconnection is located.

18.3.2 Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of One Million Dollars ($1,000,000) per occurrence/One

Million Dollars ($1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.

18.3.3 Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars ($1,000,000) per occurrence for bodily injury, including death, and property damage.

18.3.4 Excess Public Liability Insurance over and above the Employers' Liability Commercial General Liability and Comprehensive Automobile Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars ($20,000,000) per occurrence/Twenty Million Dollars ($20,000,000) aggregate.

18.3.5 The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Public Liability Insurance policies shall name the other Party, its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this LGIA against the Other Party Group and provide thirty (30) Calendar Days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.

18.3.6 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.

18.3.7 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this LGIA, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.

18.3.8 The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this LGIA.

18.3.9 Within ten (10) days following execution of this LGIA, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days thereafter, each Party shall provide certification of all insurance required in this LGIA, executed by each insurer or by an authorized representative of each insurer.

18.3.10 Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.8 to the extent it maintains a self-insurance program; provided that, such Party's senior secured debt is rated at investment grade or better by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.8. For any period of time that a Party's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Articles 18.3.2 through 18.3.9. In the event that a Party is permitted to self-insure pursuant to this article, it shall notify the other Party that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 18.3.9.

18.3.11 The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this LGIA.

Article 19. Assignment

19.1 Assignment. This LGIA may be assigned by either Party only with the written consent of the other; provided that either Party may assign this LGIA without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this LGIA; and provided further that Interconnection Customer shall have the right to assign this LGIA, without the consent of Transmission Provider, for collateral security purposes to aid in

providing financing for the Large Generating Facility, provided that Interconnection Customer will promptly notify Transmission Provider of any such assignment. Any financing arrangement entered into by Interconnection Customer pursuant to this article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify Transmission Provider of the date and particulars of any such exercise of assignment right(s), including providing the Transmission Provider with proof that it meets the requirements of Articles 11.5 and 18.3. Any attempted assignment that violates this article is void and ineffective. Any assignment under this LGIA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

Article 20. Severability

20.1 Severability. If any provision in this LGIA is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this LGIA; provided that if Interconnection Customer (or any third party, but only if such third party is not acting at the direction of Transmission Provider) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

Article 21. Comparability

21.1 Comparability. The Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

Article 22. Confidentiality

22.1 Confidentiality. Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of this LGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Article 22 warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

The release of Confidential Information shall be subject to Applicable Laws and Regulations and Applicable Reliability Standards.

22.1.1 **Term**. During the term of this LGIA, and for a period of three (3) years after the expiration or termination of this LGIA, except as otherwise provided in this Article 22, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

22.1.2 **Scope**. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this LGIA; or (6) is required, in accordance with Article 22.1.7 of the LGIA, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

22.1.3 **Release of Confidential Information**. Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees,

consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this LGIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.

22.1.4 **Rights**. Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

22.1.5 **No Warranties**. By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

22.1.6 **Standard of Care**. Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this LGIA or its regulatory requirements.

22.1.7 **Order of Disclosure**. If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s)

so that the other Party may seek an appropriate protective order or waive compliance with the terms of this LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

22.1.8 **Termination of Agreement**. Upon termination of this LGIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.

22.1.9 **Remedies**. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 22, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.

22.1.10 **Disclosure to FERC, its Staff, or a State**. Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this LGIA, the Party shall provide the

requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this LGIA prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

22.1.11 Subject to the exception in Article 22.1.10, any information that a Party claims is competitively sensitive, commercial or financial information under this LGIA ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIA or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other

reasonable measures.

Article 23. Environmental Releases

23.1 Each Party shall notify the other Party, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Large Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

Article 24. Information Requirements

24.1 Information Acquisition. Transmission Provider and Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.

24.2 Information Submission by Transmission Provider. The initial information submission by Transmission Provider shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include Transmission System information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis Transmission Provider shall provide Interconnection Customer a status report on the construction and installation of Transmission Provider's Interconnection Facilities and Network Upgrades, including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

24.3 Updated Information Submission by Interconnection Customer. The updated information submission by Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. Interconnection Customer shall submit a completed copy of the Large Generating Facility data requirements contained in Appendix 1 to the LGIP. It shall also include any additional information provided to Transmission Provider for the Feasibility and Facilities Study. Information in this submission shall be the most current Large Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Transmission Provider standard models. If there is no compatible model,

Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If Interconnection Customer's data is materially different from what was originally provided to Transmission Provider pursuant to the Interconnection Study Agreement between Transmission Provider and Interconnection Customer, then Transmission Provider will conduct appropriate studies to determine the impact on Transmission Provider Transmission System based on the actual data submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed.

24.4 Information Supplementation. Prior to the Operation Date, the Parties shall supplement their information submissions described above in this Article 24 with any and all "as-built" Large Generating Facility information or "as-tested" performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. The Interconnection Customer shall conduct tests on the Large Generating Facility as required by Good Utility Practice such as an open circuit "step voltage" test on the Large Generating Facility to verify proper operation of the Large Generating Facility's automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Large Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Large Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Interconnection Customer shall provide validated test recordings showing the responses of Large Generating Facility terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Large Generating Facility's terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Large Generating Facility terminal or field voltages is provided. Large Generating Facility testing shall be conducted and results provided to Transmission Provider for each individual generating unit in a station. Subsequent to the Operation Date, Interconnection Customer shall provide Transmission Provider any information changes due to equipment replacement, repair, or adjustment. Transmission Provider shall provide Interconnection Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Transmission Provider-owned substation that may affect Interconnection Customer's Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information no later than thirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment.

Article 25. Information Access and Audit Rights

25.1 Information Access. Each Party (the "disclosing Party") shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this LGIA; and (ii) carry out its obligations and responsibilities under this LGIA. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this LGIA.

25.2 Reporting of Non-Force Majeure Events. Each Party (the "notifying Party") shall notify the other Party when the notifying Party becomes aware of its inability to comply with the provisions of this LGIA for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this LGIA.

25.3 Audit Rights. Subject to the requirements of confidentiality under Article 22 of this LGIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either Party's performance or either Party's satisfaction of obligations under this LGIA. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, Transmission Provider's efforts to allocate responsibility for the provision of reactive support to the Transmission System, Transmission Provider's efforts to allocate responsibility for interruption or reduction of generation on the Transmission System, and each Party's actions in an Emergency Condition. Any audit authorized by this article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party's performance and satisfaction of obligations under this LGIA. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.

25.4 Audit Rights Periods.

25.4.1 Audit Rights Period for Construction-Related Accounts and Records. Accounts and records related to the design, engineering, procurement, and construction of Transmission Provider's Interconnection Facilities and Network Upgrades shall be subject to

audit for a period of twenty-four months following Transmission Provider's issuance of a final invoice in accordance with Article 12.2.

25.4.2 Audit Rights Period for All Other Accounts and Records. Accounts and records related to either Party's performance or satisfaction of all obligations under this LGIA other than those described in Article 25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four months after the event for which the audit is sought.

25.5 Audit Results. If an audit by a Party determines that an overpayment or an underpayment has occurred, a notice of such overpayment or underpayment shall be given to the other Party together with those records from the audit which support such determination.

Article 26. Subcontractors

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

26.2 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this LGIA. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Transmission Provider be liable for the actions or inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under Article 5 of this LGIA. Any applicable obligation imposed by this LGIA upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

26.3 No Limitation by Insurance. The obligations under this Article 26 will not be limited in any way by any limitation of subcontractor's insurance.

Article 27. Disputes

27.1 Submission. In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this LGIA or its performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.

27.2 External Arbitration Procedures. Any arbitration initiated under this LGIA shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail.

27.3 Arbitration Decisions. Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this LGIA and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the

standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

27.4 Costs. Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

Article 28. Representations, Warranties, and Covenants

28.1 General. Each Party makes the following representations, warranties and covenants:

28.1.1 Good Standing. Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this LGIA and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this LGIA.

28.1.2 Authority. Such Party has the right, power and authority to enter into this LGIA, to become a Party hereto and to perform its obligations hereunder. This LGIA is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

28.1.3 No Conflict. The execution, delivery and performance of this LGIA does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

28.1.4 **Consent and Approval**. Such Party has sought or obtained, or, in accordance with this LGIA will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this LGIA, and it will provide to any Governmental Authority notice of any actions under this LGIA that are required by Applicable Laws and Regulations.

Article 29. Joint Operating Committee

29.1 **Joint Operating Committee**. Except in the case of ISOs and RTOs, Transmission Provider shall constitute a Joint Operating Committee to coordinate operating and technical considerations of Interconnection Service. At least six (6) months prior to the expected Initial Synchronization Date, Interconnection Customer and Transmission Provider shall each appoint one representative and one alternate to the Joint Operating Committee. Each Interconnection Customer shall notify Transmission Provider of its appointment in writing. Such appointments may be changed at any time by similar notice. The Joint Operating Committee shall meet as necessary, but not less than once each calendar year, to carry out the duties set forth herein. The Joint Operating Committee shall hold a meeting at the request of either Party, at a time and place agreed upon by the representatives. The Joint Operating Committee shall perform all of its duties consistent with the provisions of this LGIA. Each Party shall cooperate in providing to the Joint Operating Committee all information required in the performance of the Joint Operating Committee's duties. All decisions and agreements, if any, made by the Joint Operating Committee, shall be evidenced in writing. The duties of the Joint Operating Committee shall include the following:

29.1.1 Establish data requirements and operating record requirements.

29.1.2 Review the requirements, standards, and procedures for data acquisition equipment, protective equipment, and any other equipment or software.

29.1.3 Annually review the one (1) year forecast of maintenance and planned outage schedules of Transmission Provider's and Interconnection Customer's facilities at the Point of Interconnection.

29.1.4 Coordinate the scheduling of maintenance and planned outages on the Interconnection Facilities, the Large Generating Facility and other facilities that impact the normal operation of the interconnection of the Large Generating Facility to the Transmission

System.

29.1.5 Ensure that information is being provided by each Party regarding equipment availability.

29.1.6 Perform such other duties as may be conferred upon it by mutual agreement of the Parties.

Article 30. Miscellaneous

30.1 Binding Effect. This LGIA and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

30.2 Conflicts. In the event of a conflict between the body of this LGIA and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this LGIA shall prevail and be deemed the final intent of the Parties. With respect to Appendix G, specifically, the Parties understand and acknowledge that the contents of Appendix G contain more stringent requirements than those contained in the body of this LGIA; the more stringent requirements of Appendix G are intended to control. Otherwise, the Parties intend for the content of the Appendices and the content of the body of this LGIA to have equal weight, and to be read in unison.

30.3 Rules of Interpretation. This LGIA, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this LGIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this LGIA), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this LGIA or such Appendix to this LGIA, or such Section to the LGIP or such Appendix to the LGIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this LGIA as a whole and not to any particular Article or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without

limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".

30.4 Entire Agreement. This LGIA, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this LGIA. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this LGIA.

30.5 No Third Party Beneficiaries. This LGIA is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

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

Any waiver at any time by either Party of its rights with respect to this LGIA shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this LGIA. Termination or Default of this LGIA for any reason by Interconnection Customer shall not constitute a waiver of Interconnection Customer's legal rights to obtain an interconnection from Transmission Provider. Any waiver of this LGIA shall, if requested, be provided in writing.

30.7 Headings. The descriptive headings of the various Articles of this LGIA have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this LGIA.

30.8 Multiple Counterparts. This LGIA may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

30.9 Amendment. The Parties may by mutual agreement amend this LGIA by a written instrument duly executed by the Parties.

30.10 Modification by the Parties. The Parties may by mutual agreement amend the Appendices to this LGIA by a written instrument duly executed by the Parties.

Such amendment shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.

30.11 Reservation of Rights. Transmission Provider shall have the right to make a unilateral filing with FERC to modify this LGIA with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this LGIA pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this LGIA shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

30.12 No Partnership. This LGIA shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

IN WITNESS WHEREOF, the Parties have executed this LGIA in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

El Paso Electric Company (Transmission Provider and Transmission Owner)]

By: ADRIAN G. RODRIGUEZ By: _____

Title: INTERIM CEO Title: _____

Date: 2-5-20 Date: _____

NextEra Energy Resources (Interconnection Customer)

By: Matt Handel

Title: Vice President

Date: 1-24-20

APPROVED AS TO FORM
OFFICE OF THE GENERAL COUNSEL

Appendices: Interconnection Facilities, Network Upgrades and Distribution Upgrade

Appendices to LGIA

Appendix A	Interconnection Facilities, Network Upgrades, and Distribution Upgrades
Appendix B	Milestones
Appendix C	Interconnection Details
Appendix D	Security Arrangements Details
Appendix E	Commercial Operation Date
Appendix F	Addresses for Delivery of Notices and Billings
Appendix G	Interconnection Requirements for Non-Synchronous Generating Plant
Addendum	Updates to Facilities and Estimated Costs, as Re-Allocated to Remaining Cluster Participants

Important Notice:

The Interconnection Customer under this LGIA is a participant of an NRIS cluster. Subsequent to the execution of this LGIA, there was a withdrawal of one cluster participant, which resulted in changes to the identification of facilities and estimated costs allocated to the remaining members of the cluster. The information shown in Appendices A and C of this LGIA is modified in the Addendum, which reflects the updated identification of facilities and updated cost allocation applicable to this LGIA.

Appendix A to LGIA

INTERCONNECTION FACILITIES, NETWORK UPGRADES AND DISTRIBUTION UPGRADES[1]

Description of Project

The Interconnection Customer's project, AC120SB, is a Large Generating Facility comprised of ~~up to~~ 120 MW of PV and/~~or~~ battery powered generation, combined.[2] AC120SB was one of several interconnection requests studied in a single cluster, under which the total Network Upgrades for the entire cluster are identified and then allocated among the projects in the cluster ("Cluster Projects"). At the time this Interconnection Agreement is being entered into, the Interconnection Customer's project is one of three (3) Cluster Projects requesting Network Resource Interconnection Service ("NRIS"), which allows the Cluster Projects to integrate with the EPE Transmission System in a manner comparable to that in which EPE integrates its own Generating Facilities to serve native load.

The requested Point of Interconnection (POI for AC120SB is a tap on the existing 345 kV transmission line between the Amrad and Caliente substations. The Interconnection Customer's proposed COD is May 1st, 2022. Note that in year 2020, EPE plans to tap the existing Amrad to Caliente 345 kV transmission line at the Picante substation. Once EPE's planned project is complete, the AC120SB Project will tap the Amrad to Picante 345 kV transmission line.

Within the AC120SB Generating Facility, the 34.5 kV collector voltage will be stepped up to the 345 kV EPE Transmission System voltage via a 345/34.5 kV transformer. A 345 kV overhead transmission line will then connect the AC120SB Generating Facility to the new AC120SB POI 345 kV substation.

Figure C-1 shows the AC120SB POI.

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[1] Transmission Provider's Transmission System was studied and evaluated assuming that senior requests and equal-queued requests, and the facilities identified by Transmission Provider as necessary for such requests, are in effect and in service. This LGIA and its Appendices and Schedules are subject to change, based upon changes to such circumstances.

[2] The project is referred to herein as either "Interconnection Customer's project" or "AC120SB."

Figure C-1: EPE 2022 Transmission Map with AC120SB POI



I. INTERCONNECTION FACILITIES

a. Interconnection Customer's Interconnection Facilities

Interconnection Customer's Interconnection Facilities are to be engineered, procured, constructed, owned, operated and maintained by the Interconnection Customer at its sole expense. The following facilities to be installed are designated as Interconnection Customer's Interconnection Facilities:

- All Interconnection Facilities from the generator facilities to the Point of Change of Ownership (PCO).[3] The PCO is the dead-end pole that connects the interconnection

[3] Any relays or other equipment for protection and control associated with the Large Generating Facility that the Transmission Provider allows to be installed on the Transmission Provider's side of the PCO will remain property of

line into the POI substation. The Interconnection Customer's Interconnection Facilities include all generator step-up transformers, breakers, and any VAR support equipment needed to integrate the AC120SB Project.

b. Transmission Provider's Interconnection Facilities

Transmission Provider's Interconnection Facilities are facilities from the Point of Change of Ownership to the Point of Interconnection, paid for by the Interconnection Customer but owned and operated by EPE. The following facilities to be installed are designated as Transmission Provider's Interconnection Facilities:

- Facilities from the interconnection line dead-end structure to the Point of Interconnection (including the pole, conductor from the pole to the Point of Interconnection, breakers, the revenue metering equipment, and the Phasor Measurement Unit).

II. NETWORK UPGRADES

Network Upgrades are facilities from the Point of Interconnection out to the transmission system, paid for by the Interconnection Customer but owned and operated by EPE. Network Upgrades shall mean additions, modifications, and upgrades to the transmission system to accommodate the interconnection of the generating facility. The following facilities, shown in Table C-1, to be installed for NRIS interconnection service to the cluster participants are designated as Network Upgrades:

Table C-1. Network Upgrade Facilities for the Fall 2017 Cluster

Item	Description
AC120SB Substation	New AC120SB POI 345 kV substation
AC120SB Tie-ins	Tying in the existing Amrad to Picante 345 kV transmission line into the new AC120SB POI 345 kV substation
Chaparral to AC120SB OPGW	Fiber Optic (OPGW) from the existing Chaparral 115 kV substation to the new AC120SB POI 345 kV substation
Diablo Substation	Interconnect at an existing open breaker position and replace an existing breaker at the Diablo 115 kV substation

the Interconnection Customer without regard to its location, and the Interconnection Customer will be responsible for the maintenance and testing of any such equipment.

Santa Teresa Substation	Interconnect at the existing Santa Teresa 115 kV substation by expanding from a four (4) position ring bus to a six (6) position ring bus
Mesa Substation	Replace all four (4) circuit breakers at the Mesa 115 kV substation with new Gas Circuit Breakers

Detailed identifications, as between the Transmission Provider and the Interconnection Customer, regarding Network Upgrades versus Stand Alone Network Upgrades will be addressed between the Parties. Engineering, design, procurement and construction of System Protection & Control and communications equipment and facilities are among the items not considered Stand Alone Network Upgrades. In addition, activities associated with tying in any Network Upgrades or Stand Alone Network Upgrades to the Transmission Provider's transmission system are among the activities not considered Stand Alone Network Upgrades. Construction of the AC120SB Substation is considered a Stand Alone Network Upgrade.

III. DISTRIBUTION FACILITIES

NONE. [4]

[4]Not Applicable to this Agreement with the exception of station service equipment and facilities.

Appendix B: Milestones

Appendix B to LGIA

MILESTONES

Introductory Notes:

- The Interconnection Customer has exercised its Option to Build Stand Alone Network Upgrades and Transmission Provider Interconnection Facilities.
- Interconnection Customer is to undertake its engineering, design, procurement and construction activities, subject to Transmission Provider's timely review and approval, such approval not to be unreasonably delayed or withheld. Transmission Provider is to provide design specifications and construction standards to Interconnection Customer subject to appropriate confidentiality protections. In addition, Transmission Provider is to review and approve Interconnection Customer's proposed work and designated vendors, and associated cost estimates. With respect to the procurement of materials and equipment, Interconnection Customer shall provide Transmission Provider with itemized, written schedules of materials and equipment it seeks to procure and the vendors for such materials and equipment, in advance of their procurement. The schedule of materials and equipment shall list the estimated delivered price of each item and the estimated amount of time each item will take to deliver. Interconnection Customer shall not procure any materials or equipment unless and until Transmission Provider approves the equipment design specifications and designated vendor(s) and provides written authorization to proceed that specifies the items Transmission Provider authorizes Interconnection Customer to procure. Such written authorization shall not be unreasonably delayed or withheld. Upon receipt of approval, Interconnection Customer shall procure the authorized items.
- Transmission Provider is not subject to any potential payment to Interconnection Customer of liquidated damages under Article 5 this Agreement because the Interconnection Customer has elected to proceed under Article 5.1.3 of the Agreement, and not Article 5.12 or Article 5.14 of the Agreement. Yet, Interconnection Customer has expressed a desire for Initial Synchronization/Trial Operation, and Commercial Operation Dates as shown below. Transmission Provider does not assume responsibility for their satisfaction.

Interconnection Customer's Milestones: (includes activities per Art. 5.5.2, 5.5.3, 5.6.3, 5.6.4 and 11.5)

Milestone	Date[5]
Effective date of the LGIA	**Upon execution by both parties,[6] unless FERC designates a different effective date.**
Interconnection Customer has elected the Option to Build and is the Party performing the engineering, design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand-Alone Network Upgrades. In entering into this Interconnection Agreement, Interconnection Customer confirms to Transmission Provider its authorization to proceed with those activities for which the Transmission Provider is responsible under this Agreement.	**Deemed confirmed upon LGIA execution**
Interconnection Customer to provide $500,000 to EPE in the form of a letter of credit, or other form of security that is reasonably acceptable to EPE,[7] for preliminary design work (including engineering work and design review), and procurement associated with Transmission Provider Interconnection Facilities and Network Upgrades not subject to Interconnection Customer's exercise of its Option to Build.[8]	**Upon notice from Transmission Provider that it is preparing for the start of engineering, design and/or procurement activities. Interconnection Customer is to provide security at least 30 calendar days prior to the commencement of such activities.**

[5] The dates shown related to construction activities, backfeed, trial operation, etc. are estimates. Delays may be encountered for a variety of reasons, including, but not limited to right of way acquisition, permitting, inclement weather that impedes construction, the inability to take line outages due to reliability or other reasons, delays in the posting of financial security, whether work is suspended by the Interconnection Customer, etc.

[6] If the LGIA is unexecuted and the Interconnection Customer requests that EPE file the unexecuted LGIA with the Federal Energy Regulatory Commission (FERC), the effective date shall be the date designated by the FERC.

[7] The amounts of financial security identified in Appendix B are subject to change, upon notice by Transmission Provider, depending upon changes in senior or equal-queued requests.

[8] Notice with respect to Option to Build under LGIA Section 5.1.3: The Transmission Provider has determined that the dates desired by Interconnection Customer, including dates for Trial Operation, Initial Synchronization and Commercial Operation may not be achievable in light of the good faith timeline estimates provided by Transmission Provider in the interconnection studies. Pursuant to Section 5.1.3 of this LGIA, Interconnection Customer desires to assume responsibility (and hereby does assume responsibility) for the engineering, design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades identified in Appendix A. Transmission Provider shall oversee Interconnection Customer's activities and

Milestone	Date[5]
Certification by each Party of satisfaction of all ~~insurance requirements (per Art. 18.3.9)~~	**Within 10 calendar days of LGIA execution**
Interconnection Customer to provide financial security payment for $3,103,206 to EPE in the form of a letter of credit, or other form of security that is reasonably acceptable to EPE, for the construction of Transmission Provider Interconnection Facilities and Network Upgrades not subject to the Interconnection Customer's exercise of its Option to Build. Interconnection Customer is to provide, at the same time, written authorization for Transmission Provider to ~~proceed with such work.~~	**Upon notice from Transmission Provider that it is preparing for the start of construction activities. Interconnection Customer is to provide security at least 30 calendar days prior to the commencement of construction.**
Submission of initial specifications for the Interconnection Customer's Interconnection Facilities under Art. 5.10.1, Information Submission of Transmission Provider under Art. 24.2, and Updated ~~Information Submission of Interconnection Customer~~ under Art. 24.3	**At least 180 calendar days prior to Trial Operation/Initial Synchronization Date, but in no event ~~later than November 30, 2020~~**
Submission of final specifications for the Interconnection Customer's Interconnection Facilities (per Art. 5.10.1)	**No later than 90 calendar days following tender of initial specifications, and at least 90 calendar days prior to Trial Operation/Initial Synchronization Date**
~~Control Area written notification by Interconnection~~ Customer (per Art. 9.2)	**~~At least three months before back feed~~ power date**
~~Back feed power~~	**~~No earlier than three months before~~ Commercial Operation Date**
~~Trial Operation start and Initial Synchronization Date,~~ including export power testing sequence start	**~~30 calendar days following the back-~~ feed power date**
Commercial Operation Date (COD):	**The Interconnection Customer has identified a desire to achieve Commercial Operation on May 1, 2022; however, Transmission Provider estimates that after any and all land**

shall include oversight costs in its invoices to Interconnection Customer.

Milestone	Date[5]
	acquisition/easements and environmental services/permitting have been obtained by the Interconnection Customer and transferred to EPE, the engineering, procurement and construction necessary for all Network Upgrades in the Interconnection Customer's NRIS cluster is estimated to take 67 months. COD Timing is also contingent on timely postings of financial security by Interconnection Customer and notifications by Interconnection Customer and assumes no Suspension of Work.[9]

[9] The ability to take line outages to permit COD activities may be impeded due to reliability or other reasons. The Interconnection Customer agrees that it will pay for costs associated with taking line outages necessary to install interconnection facilities and network upgrades and to permit testing of the Interconnection Customer's Generating Facility. Such costs may include redispatch costs.

Appendix C: Interconnection Details

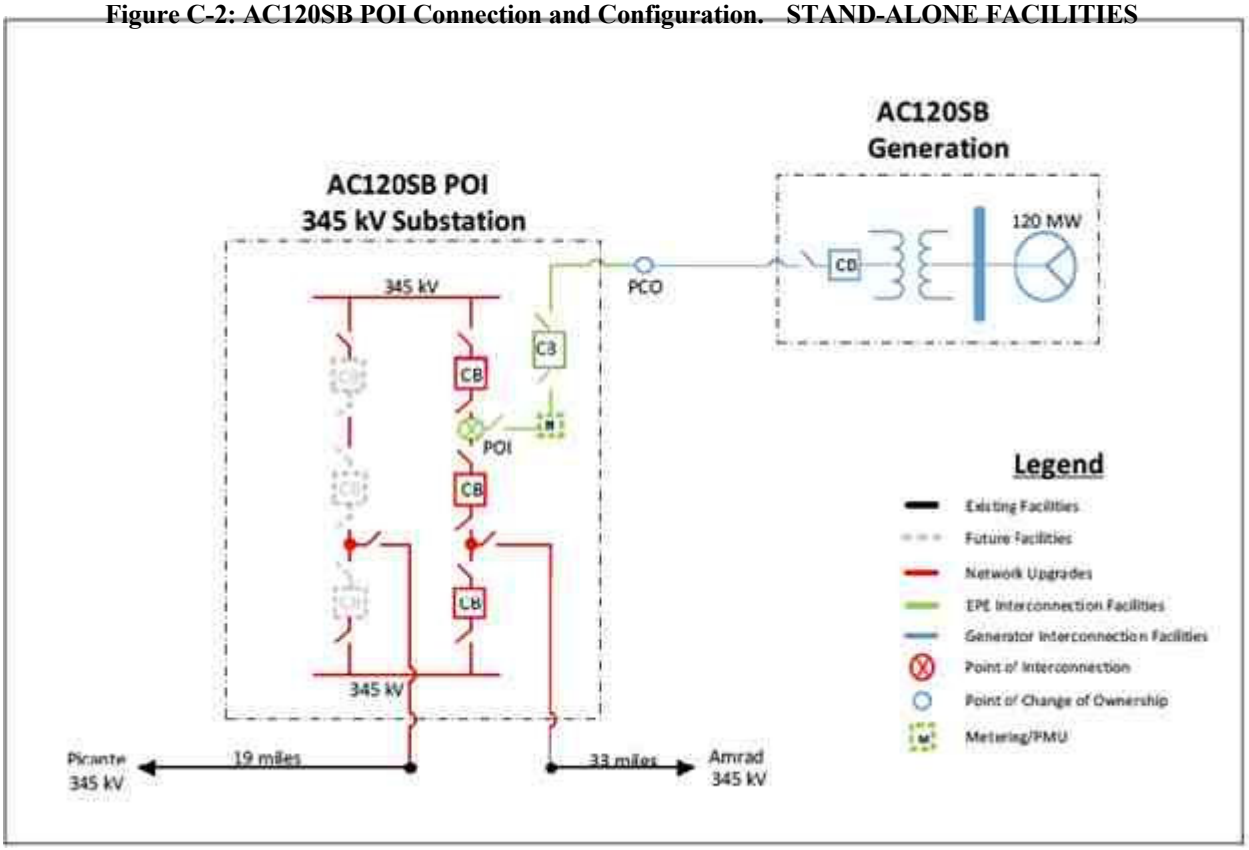
Appendix C to LGIA

Interconnection Details

This report addresses facilities required for the requested Network Resource Interconnection Service ("NRIS").

Figure C-2 below shows the AC120SB POI 345 kV substation tapping the Amrad to Picante 345 kV transmission line. The AC120SB POI 345 kV substation will initially employ a three (3) position ring bus configuration. The substation will be designed to expand into a breaker and a half bus configuration with accommodations for future breakers.

Figure C-2: AC120SB POI Connection and Configuration. STAND-ALONE FACILITIES



I. INTERCONNECTION FACILITIES

A. Interconnection Customer's Interconnection Facilities

Interconnection Customer's Interconnection Facilities are facilities that will be engineered, procured, constructed, owned, operated, and maintained by Interconnection Customer at its sole expense. The Interconnection Customer's Interconnection Facilities shall include:

- All Interconnection Facilities up to the Point of Change of Ownership.[10] The Interconnection Customer's Interconnection Facilities include all generator step-up transformers, breakers, and any VAR support equipment needed to integrate the AC120SB project.

The major Interconnection Customer's Interconnection Facilities required for the interconnection of AC120SB are provided in Table C-2 below.

Table C-2: Interconnection Customer's Interconnection Facilities

Item	Description
Transmission Line	Generating facility to the Point of Change of Ownership
AC120SB Capacitive Support	17 MVAR of additional capacitive support is required to maintain the required leading and lagging 0.95 power factor

B. Transmission Provider's Interconnection Facilities

Transmission Provider's (EPE) Interconnection Facilities are facilities from the Point of Change of Ownership to the Point of Interconnection, paid for by the Interconnection Customer but owned and operated by EPE. The following facilities to be installed are designated as Transmission Provider's Interconnection Facilities:

- Facilities from the interconnection line dead-end structure to the Point of Interconnection (including the pole, conductor from the pole to the Point of

[10] Interconnection Customer's Interconnection Facilities also include any relays or other protection system and control equipment associated with the Large Generating Facility that Transmission Provider permits to be installed on the Transmission Provider's side of the PCO. Any such relays or other equipment will be owned, maintained and tested by the Interconnection Customer; Transmission Provider will allow access to the Interconnection Customer for such activities.

Interconnection, breakers, the revenue metering equipment, and the Phasor Measurement Unit).

- The major EPE Interconnection Facilities required for the interconnection of AC120SB are provided in Table C-3 below.

Table C-3: Transmission Provider Interconnection Facilities

Item	Description
Transmission Facilities	between the AC120SB interconnection line dead-end pole (Point of Change of Ownership) and the termination point at the AC120SB Point of Interconnection 345 kV substation bus
Revenue Metering	between the Point of Interconnection and the interconnection line
Phasor Measurement Unit	between the Point of Interconnection and the interconnection line

II. NETWORK UPGRADES

Network Upgrades are facilities from the Point of Interconnection out to the transmission system, paid for by the Interconnection Customer(s) but owned and operated by EPE. Network Upgrades shall mean additions, modifications, and upgrades to the transmission system to accommodate the interconnection of the generating facility.

The major Network Upgrades required for the interconnection of Cluster Projects are provided in Table C-4 below. An allocation of Network Upgrade facility costs as among the Cluster Projects is addressed in Section III. Upon notice by Transmission Provider, Network Upgrade costs and their allocation among the Cluster Projects identified in this LGIA, as well as the timing of their installation, are subject to change, depending upon changes in senior or equal-queued requests. A change or delay associated with any one or more projects in the cluster may impact the remaining participants in the cluster.

Table C.4: Network Upgrade Facilities

Item	Description
AC120SB Substation	New AC120SB POI 345 kV substation
AC120SB Tie-ins	Tying in the existing Amrad to Picante 345 kV transmission line into the new AC120SB POI 345 kV substation
Chaparral to AC120SB OPGW	Fiber Optic (OPGW) from the existing Chaparral 115 kV substation to the new AC120SB POI 345 kV substation
Diablo Substation	Interconnect at an existing open breaker position and replace an existing breaker at the Diablo 115 kV substation
Santa Teresa Substation	Interconnect at the existing Santa Teresa 115 kV substation by expanding from a four (4) position ring bus to a six (6) position ring bus
Mesa Substation	Replace all four (4) circuit breakers at the Mesa 115 kV substation with new Gas Circuit Breakers

III. ASSUMPTIONS AND COST ESTIMATES[11]

The following key assumptions were identified regarding the facilities required for the interconnection of the Cluster Projects:

1. All active senior-queued projects and facility upgrades were assumed to be in service prior to beginning construction on Network Upgrades attributed to the Cluster Projects.

2. The cost estimates and project schedules do not include Interconnection Customer Interconnection Facilities.

3. All prior queued project facility upgrades are assumed to be timely placed in service prior to the construction of this project. Changes in senior queued requests and changes to equal-queued requests in the same Cluster may affect the timing and cost of interconnection for the Cluster Projects. Such changes may also affect Interconnection Customer's allocated share of costs within the cluster. Transmission Provider will notify Interconnection Customer of impacts on costs and/or timing of its proposed interconnection resulting from changes in senior-queued or equal-queued requests. Interconnection Customer is responsible for its allocated share of actual costs.

[11] The costs shown in this LGIA are simply estimates. The Interconnection Customer is responsible for paying the actual costs of interconnection facilities and network upgrades.

Any deviation from these assumptions may have substantial impacts to the project cost and/or schedule.

- **General Assumptions**
  The general assumptions made in developing the cost estimates for the substations within the Cluster and other transmission facilities:

  1. Cost estimates provided are good faith "scoping estimates" based on 2019 dollars; no escalation or discount rates were included.
  2. No state, county or city taxes were included.
  3. Contingency for substation facilities were assumed to be 20% of the total material, labor, engineering, and construction management costs.
  4. Contingency for transmission facilities were assumed to be 10% of the total material, labor, engineering, and construction management costs.
  5. Contingency for land acquisition/easements and environmental services/permitting were assumed to be 25% of the total incurred costs. 6. Estimates were based on equipment and configuration shown in substation layouts.
  7. Direct costs for EPE are included in the cost estimates at 6% of the project total rounded up to the nearest thousand. Direct costs may include, but are not limited to EPE program management, project management and overhead costs. Actual direct costs may differ from the estimated value.

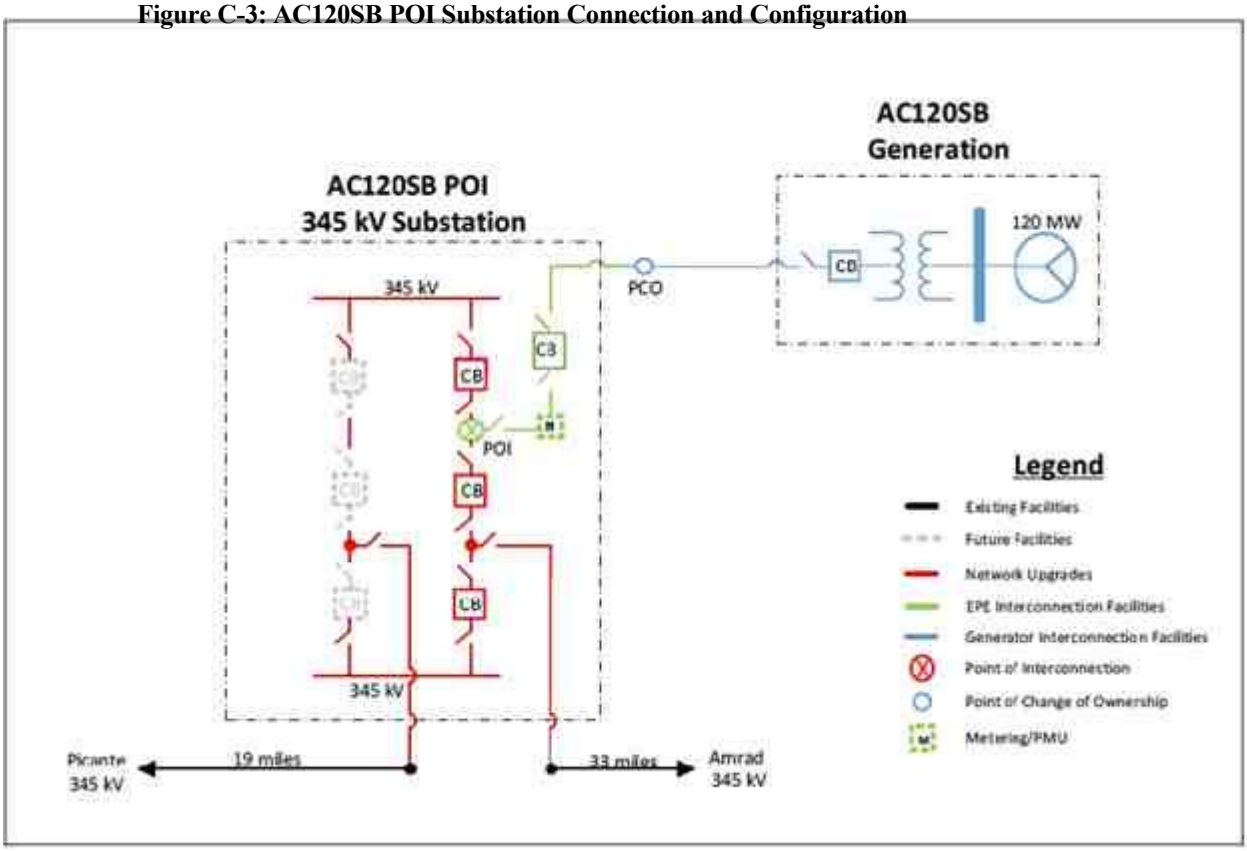
A. SUBSTATIONS

AC120SB 345 kV Substation

A new AC120SB POI 345 kV substation will need to be constructed for the interconnection of AC120SB to the EPE Transmission System. The Network Upgrades (shown in red in Figure C-3) include additions, modifications, and upgrades to the Transmission System. The cost estimates also include the EPE Interconnection Facilities (shown in green in Figure C-3) required to interconnect AC120SB. These include the transmission facilities between the AC120SB interconnection line dead-end pole and the termination point at the AC120SB POI 345 kV substation bus, as well as revenue metering and phasor measurement between the Point of Change of Ownership and the POI.

Figure C-3 shows the AC120SB POI 345 kV substation tapping the Amrad to Picante 345 kV transmission line. The AC120SB POI 345 kV substation will initially employ a three (3) position ring bus configuration. The substation will be designed to expand into a breaker and a half bus configuration with accommodations for future breakers.

Figure C-3: AC120SB POI Substation Connection and Configuration



- **Design and Construction Assumptions**

  The Interconnection Facilities and Network Upgrade design and construction assumptions are listed below. As detailed engineering and design proceeds after this LGIA becomes effective, the Transmission Provider may make adjustments to the assumptions identified in this LGIA, including adjustments to structure and equipment type:

  1. Site assumed to be approximately 350’ x 500' and was assumed to be flat.
  2. Access to this facility assumed to be built by the Interconnection Customer. The cost associated for the construction of the road was not included in this estimate. EPE will require access for substation operation.
  3. Grading and Foundation installation was assumed to not include any shale or rock excavation.
  4. Owner standard structures with loading criteria are assumed appropriate for use for foundation design.

5. The remote end line protection at Picante and Amrad is assumed to require an upgrade for this installation.
6. Primary station power is assumed to be provided via a Distribution Feeder and backup station power will be supplied via 345 kV SSVTs.
7. All line and breaker disconnect switches will be motor operated.
8. Ground grid was estimated with 4/0, 19 strand bare copper, pending ground grid design.
9. Ground grid conductor spacing will be 25' between runs.
10. Security fence shall be 10' pre-fabricated concrete sections.
11. Communications to the site assumed to be via OPGW with two communication channels created between the AC120SB substation and the Picante substation. Costs for additional communication facilities at the AC120SB substation have not been provided. Final pricing will depend on detail engineering.
12. A 16'x 40' Prefabricated Drop-in Control Building is assumed to be included in the design to house all protection and control equipment for the substation.

Table C-5 shows the cost estimate for the design and construction of the EPE Interconnection Facilities associated with interconnecting the AC120SB Generating Facility to the AC120SB POI 345 kV substation.

Table C-5: AC120SB POI 345 kV Substation - EPE Interconnection Facilities Cost Estimate

Item	Material	Contract	Engineering	Construction	Total
Substation	$274,000	$126,000	$40,000	$40,000	$480,000
System Protection & Control	$408,000	$113,000	$53,000	$53,000	$627,000
Contingency (20% Substation)	$137,000	$48,000	$19,000	$19,000	$223,000
EPE Direct Cost (6%)	$41,000	$15,000	$6,000	$6,000	$68,000
Total Design and Construction Cost	**$860,000**	**$302,000**	**$118,000**	**$118,000**	**$1,398,000**

Table C-6 shows the cost estimate for the design and construction of the AC120SB POI 345 kV substation and other Network Upgrades associated with the substation.

Table C-6: AC120SB POI 345 kV Substation - Network Upgrade Cost Estimate

	Material	Contract		Construction	
Substation	$3,872,000	$1,779,000	$566,000	$566,000	$6,783,000
System Protection & Control	$597,000	$369,000	$97,000	$97,000	$1,160,000
Contingency (20% Substation)	$894,000	$430,000	$133,000	$133,000	$1,590,000
EPE Direct Cost (6%)	$269,000	$129,000	$40,000	$40,000	$478,000
Total Design and Construction Cost	**$5,632,000**	**$2,707,000**	**$836,000**	**$836,000**	**$10,011,000**

Table C-7 shows the land acquisition cost estimate for the new AC120SB POI 345 kV substation.

Table C-7: AC120SB POI 345 kV Substation – Land Acquisition/Long-Term Easement Cost Estimate

Item	Total
Acreage (16.8 Acres)	$280,000
Title Search & Appraisal	$10,000
Survey	$10,000
Project Management	$25,000
Contingency (~25%)	$82,000
EPE Direct Cost (~6%)	$20,000
Total Land Acquisition Cost	**$427,000**

Table C-8 shows the environmental services cost estimate for the new AC120SB POI 345 kV substation.

Table C-8: AC120SB POI 345 kV Substation – Environmental Services Cost Estimate

Item	Total
Wetland, Cultural Resource, Endangered Species, Storm Water Pollution Surveys/Permits/Reports	$90,000
FAA, County, State Permits	$18,000
Contingency (25%)	$27,000
EPE Direct Cost (6%)	$7,000
Total Environmental Services Cost	**$142,000**

Table C-9 shows the total Network Upgrade cost estimate is $10,580,000 for the AC120SB POI Substation.

Table C-9: AC120SB POI 345 kV Substation – Total Network Upgrade Cost Estimate

Network Upgrades - Design & Construction	$4,469,000	$2,148,000	$663,000	$663,000	$1,590,000	$478,000	$10,011,000
Network Upgrades - Land Acquisition	$280,000	$20,000	$25,000	$0	$82,000	$20,000	$427,000
Network Upgrades - Environmental Services	$0	$0	$108,000	$0	$27,000	$7,000	$142,000
Total AC120SB Network Upgrade Cost	**$4,749,000**	**$2,168,000**	**$796,000**	**$663,000**	**$1,699,000**	**$505,000**	**$10,580,000**

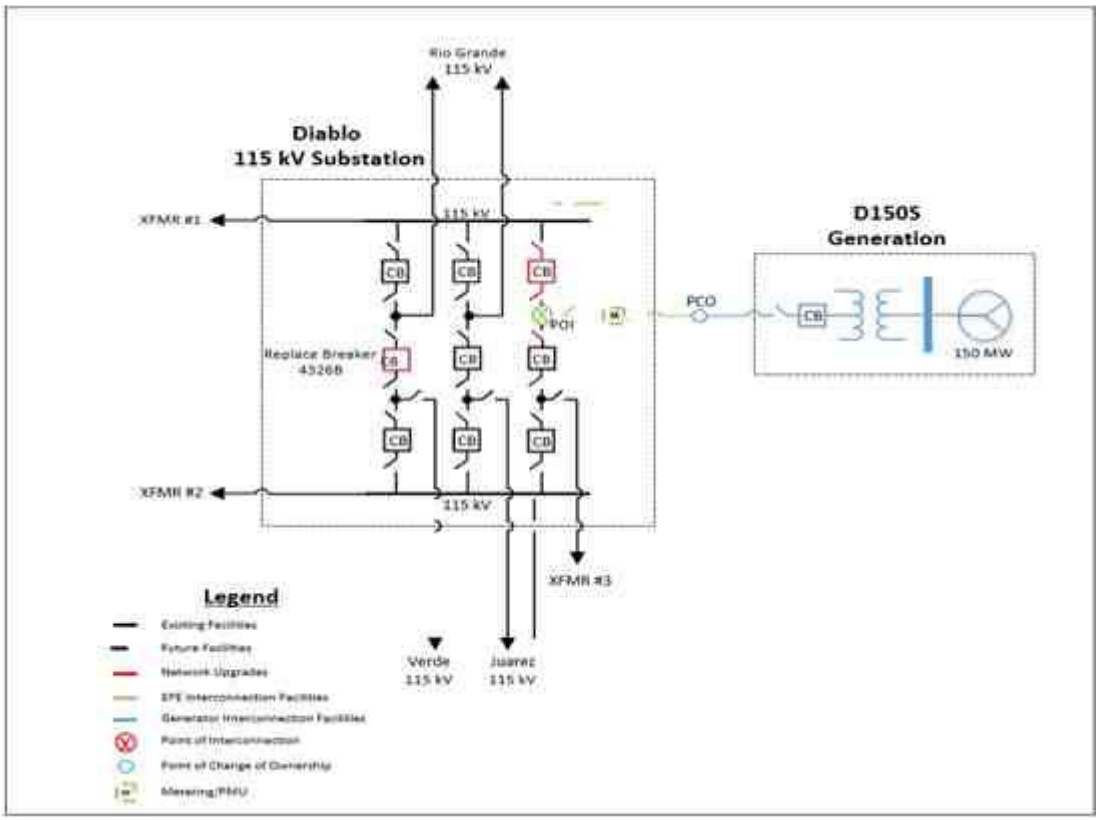
Diablo 115 kV Substation

The D150S Project has requested to interconnect at an existing open breaker position at the Diablo 115 kV substation. The cost estimates include the EPE Interconnection Facilities (shown in green in Figure C-4) required to interconnect the D150S generating facility to the Transmission Provider's transmission system. These include the transmission facilities between the D150S interconnection line dead-end pole (Point of Change of Ownership) and the POI termination point at the Diablo 115 kV substation bus, including revenue metering and phasor measurement between the Point of Change of Ownership and the POI.

The results of the System Impact Study showed that the Cluster Projects will cause one (1) circuit breaker at the Diablo 115 kV substation to exceed its interrupting capability. The Network Upgrades (shown in red in Figure C-4) include replacing breaker 4326B with a new Gas Circuit Breaker (115 kV, 3000A, 40 kA) to increase the interrupting capability.

Figure C-4 shows the D150S Generating Facility interconnecting at a new breaker at the Diablo 115 kV substation. The addition of this breaker will complete the third bay on the 115 kV breaker and a half substation.

Figure C-4: Diablo 115 kV Substation Connection and Configuration



- **Design and Construction Assumptions**

  The Interconnection Facilities and Network Upgrade design and construction assumptions are listed below:

  1. Complete installation was assumed to be built within the existing Diablo substation property.
  2. New line protection panels were assumed to be installed at Diablo for the new line to the D150S Generating Facility. It was assumed that there is enough space in the existing control house to accommodate these panels.
  3. A suitable AC source was assumed to be available to power the new equipment.
  4. Existing DC system was assumed to be capable of supporting additional load.
  5. All line and breaker disconnect switches were assumed to be motor operated.
  6. Existing ground grid design was assumed to be adequate for the new installation.
  7. Communications to the D150S Generating Facility will be via OPGW. Two communication channels will be created between the D150S Generating Facility and the Diablo substation. Costs for additional communication facilities at the Diablo substation have not been provided. Final pricing will depend on detail engineering.

Table C-10 shows the cost estimate for the design and construction of the EPE Interconnection Facilities associated with interconnecting the D150S Generating Facility to the Diablo 115 kV substation.

Table C-10: Diablo 115 kV Substation - EPE Interconnection Facilities Cost Estimate

Item	Material	Contract	Engineering	Construction	Total
Substation	$105,000	$98,000	$21,000	$21,000	$245,000
System Protection & Control	$376,000	$110,000	$49,000	$49,000	$584,000
Contingency (20% Substation)	$97,000	$42,000	$14,000	$14,000	$167,000
EPE Direct Cost (6%)	$29,000	$13,000	$5,000	$5,000	$52,000
Total Design and Construction Cost	**$607,000**	**$263,000**	**$89,000**	**$89,000**	**$1,048,000**

Table C-11 shows the cost estimate for the design and construction of the Network Upgrades associated with the Diablo 115 kV substation.

Table C-11: Diablo 115 kV Substation - Network Upgrade Cost Estimate

	Material	Contract	Engineering	Construction	Total
Substation	$266,000	$128,000	$40,000	$40,000	$474,000
System Protection & Control	$94,000	$170,000	$27,000	$27,000	$318,000
Contingency (20% Substation)	$72,000	$60,000	$14,000	$14,000	$160,000
EPE Direct Cost (6%)	$22,000	$18,000	$5,000	$5,000	$50,000
Total Design and Construction Cost	**$454,000**	**$376,000**	**$86,000**	**$86,000**	**$1,002,000**

The required equipment additions will be located within the footprint of the existing Diablo 115 kV substation. As a result, no additional land acquisition/easements were assumed to be required for the substation.

Environmental services/permitting were assumed not to be required for the Diablo 115 kV substation modifications.

Table C-12 shows the total Network Upgrade cost estimate is $1,002,000.

Table C-12: Diablo 115 kV Substation - Total Network Upgrade Cost Estimate

Network Upgrades - Design & Construction	$360,000	$298,000	$67,000	$67,000	$160,000	$50,000	$1,002,000

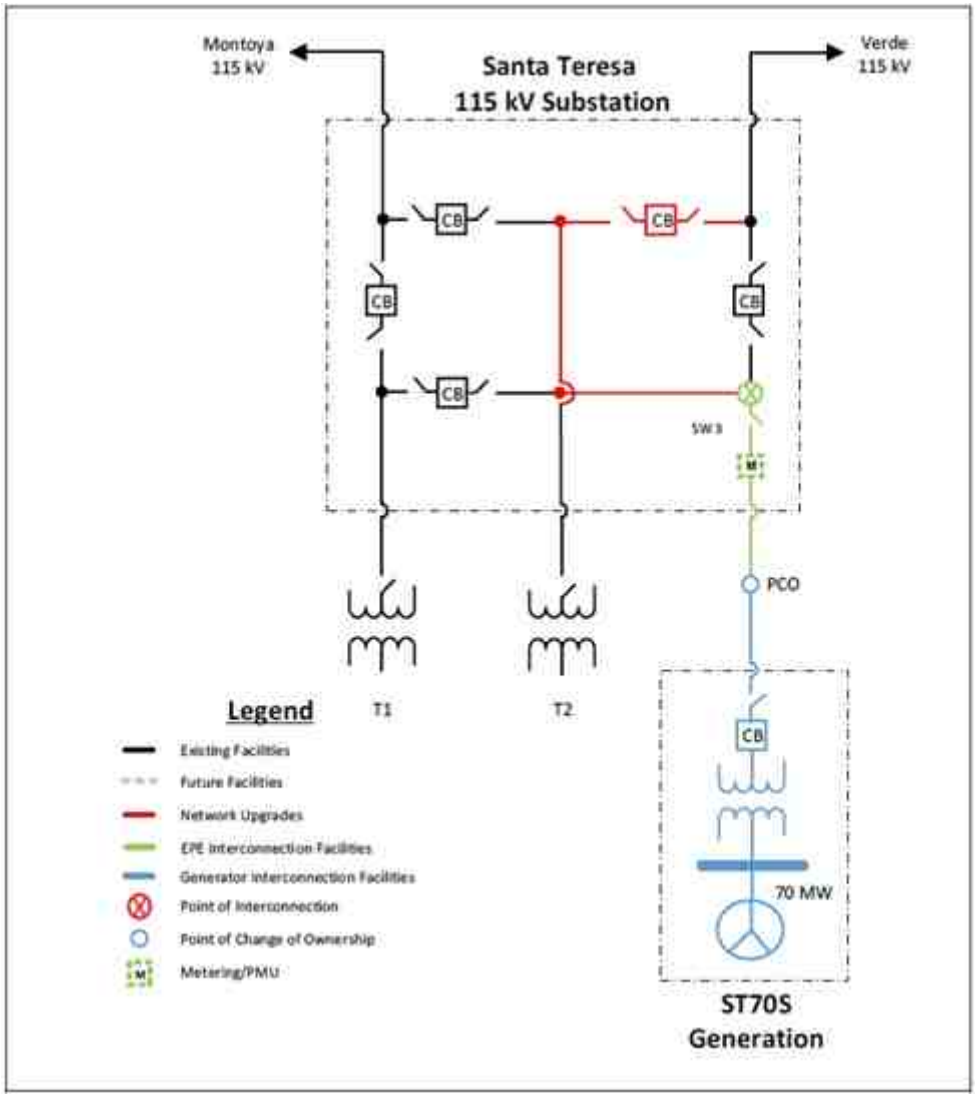
~~Network Upgrades~~ Land Acquisition	$0	$0	$0	$0	$0	$0	$0
~~Network Upgrades~~ Environmental Services	$0	$0	$0	$0	$0	$0	$0
~~Total Diablo Network~~ Upgrade Cost	**$360,000**	**$298,000**	**$67,000**	**$67,000**	**$160,000**	**$50,000**	**$1,002,000**

Santa Teresa 115 kV Substation

The ST70S Project has requested to interconnect at the existing Santa Teresa 115 kV substation. The cost estimates include the EPE Interconnection Facilities (shown in green in Figure C-5) required to interconnect the ST70S generating facility to the Transmission Provider's transmission system. These include the transmission facilities between the ST70S interconnection line dead-end pole (Point of Change of Ownership) and the termination point (POI) at the Santa Teresa 115 kV substation bus, including revenue metering and phasor measurement between the Point of Change of Ownership and the POI. The Network Upgrades (shown in red in Figure C-5) include expanding the Santa Teresa 115 kV substation from a four (4) position ring bus to a six (6) position ring bus.

Figure C-5 shows the ST70S Generating Facility interconnecting at a new position at the Santa Teresa 115 kV substation.

Figure C-5: Santa Teresa 115 kV Substation Connection and Configuration



- **Design and Construction Assumptions**

  The Interconnection Facilities and Network Upgrade design and construction assumptions are listed below. As detailed engineering and design proceeds after this LGIA becomes effective, the Transmission Provider may make adjustments to the assumptions identified in this LGIA, including adjustments to structure and equipment type:

  1. Site is assumed to be expanded approximately 250’ x 250' and was assumed to be flat.
  2. The Transformer T2 bay is assumed to be relocated to obtain the line-transformer-line configuration. The distribution regulators for T2 are assumed to need to be relocated for the expansion of this site.
  3. Grading and Foundation installation was assumed to not include any shale or rock excavation.
  4. Owner standard structures with loading criteria will be used for foundation

design.

5. The dead-end for the line to the Verde substation is assumed to require relocation. A long outage will be required for this relocation.
6. All 115kV line and breaker disconnect switches will be motor operated.
7. Ground grid is estimated with 4/0, 19 strand bare copper, pending ground grid design.
8. Ground grid conductor spacing will be 25' between runs on the expanded area.
9. Security fence will match the existing installation: metallic fence 7' in height with three strands of barbed wire.
10. Communications to the ST70S Generating Facility are assumed to be via OPGW, with two communication channels created between the ST70S Generating Facility and the Santa Teresa substation. Costs for additional communication facilities at the Santa Teresa substation have not been provided. Final pricing will depend on detail engineering.
11. New line protection panels were assumed to be installed at the Santa Teresa substation for the new line to the ST70S Generating Facility. It was assumed that there is enough space in the existing control house to accommodate these panels.
12. A suitable AC source was assumed to be available to power the new equipment.
13. Existing DC system was assumed to be capable of supporting additional load.
14. Removal of Underground Distribution installations were not included in this estimate.

Table C-13 shows the cost estimate for the design and construction of the EPE Interconnection Facilities associated with interconnecting the ST70S Generating Facility to the Santa Teresa 115 kV substation.

Table C-13: Santa Teresa 115 kV Substation - EPE Interconnection Facilities Cost Estimate

Item	Material	Contract	Engineering	Construction	Total
Substation	$112,000	$91,000	$21,000	$21,000	$245,000
System Protection & Control	$300,000	$238,000	$54,000	$54,000	$646,000
Contingency (20% Substation)	$83,000	$66,000	$15,000	$15,000	$179,000
EPE Direct Cost (6%)	$25,000	$20,000	$5,000	$5,000	$55,000
Total Design and Construction Cost	**$520,000**	**$415,000**	**$95,000**	**$95,000**	**$1,125,000**

Table C-14 shows the cost estimate for the design and construction of the Network Upgrades associated with the Santa Teresa 115 kV substation.

Table C-14: Santa Teresa 115 kV Substation - Network Upgrade Cost Estimate

Item	Material	Contract	Engineering	Construction	Total
Substation	$662,000	$476,000	$114,000	$114,000	$1,366,000
System Protection & Control	$167,000	$191,000	$36,000	$36,000	$430,000
Contingency (20% Substation)	$166,000	$134,000	$30,000	$30,000	$360,000
EPE Direct Cost (6%)	$50,000	$41,000	$9,000	$9,000	$109,000
Total Design and Construction Cost	**$1,045,000**	**$842,000**	**$189,000**	**$189,000**	**$2,265,000**

Table C-15 shows the land acquisition cost estimate for the Santa Teresa 115 kV substation expansion.

Table C-15: Santa Teresa 115 kV Substation - Land Acquisition/Long Term Easement Cost Estimate

Acreage (1.43 Acres)	$24,000
Title Search & Appraisal	$8,000
Survey	$8,000
Project Management	$13,000
Contingency (~25%)	$14,000
EPE Direct Cost (~6%)	$4,000
Total Land Acquisition Cost	**$71,000**

Table C-16 shows the environmental services cost estimate for the Santa Teresa 115 kV substation expansion.

Table C-16: Santa Teresa 115 kV Substation - Environmental Services Cost Estimate

Wetland, Cultural Resource, Endangered Species, Storm Water Pollution Surveys/Permits/Reports	$60,000
FAA, County, State Permits	$12,000
Contingency (25%)	$18,000
EPE Direct Cost (6%)	$5,000
Total Environmental Services Cost	**$95,000**

Table C-17 shows the total Network Upgrade cost estimate of $2,431,000 for the Santa Teresa 115 kV Substation.

Table C-17: Santa Teresa 115 kV Substation – Total Network Upgrade Cost Estimate

Item	Material	Labor Cost	Engineering	Construction	[illegible]	EPE [illegible]	[illegible]
Network Upgrades Design & Construction	$829,000	$667,000	$150,000	$150,000	$360,000	$109,000	$2,265,000
Network Upgrades Land Acquisition	$24,000	$16,000	$13,000	$0	$14,000	$4,000	$71,000
Network Upgrades Environmental Services	$0	$0	$72,000	$0	$18,000	$5,000	$95,000
Total Santa Teresa Network Upgrade Cost	**$853,000**	**$683,000**	**$235,000**	**$150,000**	**$392,000**	**$118,000**	**$2,431,000**

Mesa 115 kV Substation

The results of the System Impact Study showed that the Cluster Projects will cause all four (4) circuit breakers at the Mesa 115 kV substation to exceed their interrupting capability. The Network Upgrades include replacing all four (4) circuit breakers at the Mesa 115 kV substation with new Gas Circuit Breakers (115 kV, 3000A, 40 kA) to increase their interrupting capability.

- **Design and Construction Assumptions**
  The Interconnection Facilities and Network Upgrade design and construction assumptions are listed below:

  1. Replacement breakers will be installed in the same location as the existing breakers
  2. No additional bus and/or switch upgrades were considered.
  3. Existing foundations were assumed to be suited to receive the new circuit breakers.
  4. Existing conduit was assumed to be sized to hold all necessary control cable.
  5. Equipment jumpers will be replaced.
  6. New control cable for the breakers is included in the estimate.
  7. Estimate includes all necessary equipment and material, installation and testing and commissioning of new breakers.

  Table C-18 shows the cost estimate for the design and construction of the Network Upgrades associated with the Mesa 115 kV substation.

Table C-18: Mesa 115 kV Substation - Network Upgrade Cost Estimate

Item	Material	Contract	Engineering	Construction	Total
Substation	$23,000	$37,000	$6,000	$6,000	$72,000
System Protection & Control	$350,000	$69,000	$42,000	$42,000	$503,000
Contingency (20% Substation)	$75,000	$22,000	$10,000	$10,000	$117,000
EPE Direct Cost (6%)	$23,000	$7,000	$3,000	$3,000	$36,000
Total Design and Construction Cost	**$471,000**	**$135,000**	**$61,000**	**$61,000**	**$728,000**

The required equipment additions are assumed to be located within the footprint of the existing Mesa 115 kV substation. As a result, no additional land acquisition/easements were assumed to be required for the substation.

Environmental services/permitting were assumed not to be required for the Mesa 115 kV substation modifications.

The Mesa 115 kV substation costs are shown in Table C-19 below. The total Network Upgrade cost estimate for the substation is $728,000.

Table C-19: Mesa 115 kV Substation - Total Network Upgrade Cost Estimate

Item	Material Cost	Labor Cost	Engineering	Construction Management	Contingency	EPE Direct	Total
Network Upgrades - Design & Construction	~~$373,000~~	~~$106,000~~	~~$48,000~~	~~$48,000~~	~~$117,000~~	~~$36,000~~	~~$728,000~~
Total Mesa Substation Network Upgrade Cost	**~~$373,000~~**	**~~$106,000~~**	**~~$48,000~~**	**~~$48,000~~**	**~~$117,000~~**	**~~$36,000~~**	**~~$728,000~~**

B. TRANSMISSION LINES

AC120SB 345 kV Tie-ins

Note that by year 2020, EPE plans to tap the existing Amrad to Caliente 345 kV transmission line at the Picante substation. Once the planned project is complete, the AC120SB Project will tap the Amrad to Picante 345 kV transmission line. The following sections describe the assumptions and cost estimate for the AC120SB POI 345 kV substation tie-ins.

- **Design and Construction Assumptions and Cost Estimate**

The AC120SB POI 345 kV substation tie-ins include the future Amrad to Picante 345 kV transmission line (currently, the line runs from Amrad to Caliente Substations) and the Interconnection Customer's new 345 kV transmission line from the AC120SB Generating Facility to the POI 345 kV substation. In addition to the general cost estimate assumptions, the following specific assumptions apply to the design and construction of the AC120SB POI 345 kV substation tie-ins. As detailed engineering and design work proceeds following the effective date of the LGIA, the Transmission Provider may make adjustments to the assumptions shown in this LGIA, including adjustments to the equipment and structure type.

1. The location of the AC120SB POI 345 kV substation is assumed to be adjacent to the existing Amrad to Caliente 345 kV line.
2. Two three pole dead-end structures are assumed to be required to terminate the Amrad to Picante 345 kV line adjacent to the new AC120SB POI 345 kV substation. No existing structure modifications were assumed to be necessary.
3. One monopole dead-end structure will be required to bring the Interconnection Customer's new 345 kV transmission line from the AC120SB Generating Facility into the new AC120SB POI 345 kV substation.
4. The conductors shall be 954 kcmil "Rail" double bundled ACSR per phase.
5. All hardware assemblies shall use EPE standard polymer insulators with compression dead-end connections.
6. Ruling Span: assumed 400'
7. Loading: NESC Light District, NESC Medium District, and EPE standards.
8. Maximum Conductor Operating Temperature: 212°F
9. Dead-end Structure Design: Assumed to be Self-supported single circuit 3-Pole and Monopole structures on concrete drilled shafts.
10. Design tension conductor: 25% RBS maximum under NESC Medium and 25% RBS maximum under NESC Light.
11. Shield wire: Assumed to be (2) 3/8" 7-strand steel EHS wire on the Amrad circuit and (1) 3/8" 7-strand steel EHS wire and (1) SFPOC/SFSJ-J-4062 OPGW on the Picante side.
12. SFPOC/SFSJ-J-4062 OPGW will be run between Chaparral Substation and the new AC120SB 345 kV substation to replace the existing 3/8" 7-Strand EHS wire. It was assumed that the existing structures will be sufficient to support the new OPGW.
13. Shield wire: (1) 3/8" 7-strand steel EHS wire and (1) SFPOC/SFSJ-J-4062 OPGW for the Interconnection Customer's transmission line.
14. SFPOC/SFSJ-J-4062 OPGW will be run between the AC120SB Generating Facility and the existing AC120SB POI 115 kV

substation.

15. Design tension shield wire: 80% of conductor sag under 60°F Normal Conditions.
16. Structure Height: Dead-end structures are 85' total length.
17. Foundations utilize reinforced drilled piers with anchor bolt cages.
18. Foundation sizes and costs were estimated based on data from other projects previously performed in the area.
19. All structures are to be galvanized and estimated cost per pound of steel is $1.75/lb.
20. Construction activities shall be completed by contractor.

- **Cost Estimate**

The cost estimate of the EPE Interconnection Facilities required to connect the AC120SB Generating Facility into the new AC120SB POI 345 kV substation is shown in Table C-20 below.

Table C-20: AC120SB Generating Facility Tie-in – EPE Interconnection Facilities Cost Estimate

Item	Material Cost	Labor	Total
Structure Costs	$25,000	$28,000	$53,000
Foundation Costs	$15,000	$23,000	$38,000
Installed Wires	$28,000	$33,000	$61,000
Construction - Incidentals	$0	$11,000	$11,000
Engineering	$0	$10,000	$10,000
Construction - Management	$0	$11,000	$11,000
Contingency (10%)	$7,000	$12,000	$19,000
EPE Direct Cost (6%)	$5,000	$7,000	$12,000
Total Design and Construction	**$80,000**	**$135,000**	**$215,000**

- **Amrad to Picante Tie-in Cost Estimate**

The cost estimate of the Network Upgrades required to tie-in the existing Amrad to Picante 345 kV transmission line into the new AC120SB POI 345 kV substation is shown in **Error! Reference source not found.**C-21 below.

Table C-21: Amrad to Picante Tie-in – Network Upgrade Cost Estimate

Item	Material Cost	Labor	Total
Structure Costs	$50,000	$55,000	$105,000
Foundation Costs	$30,000	$45,000	$75,000
Installed Wires	$55,000	$65,000	$120,000
Construction - Incidentals	$0	$22,000	$22,000
Engineering	$0	$20,000	$20,000
Construction - Management	$0	$21,000	$21,000
Contingency (10%)	$14,000	$23,000	$37,000
EPE Direct Cost (6%)	$9,000	$14,000	$23,000
Total Design and Construction	**$158,000**	**$265,000**	**$423,000**

Chaparral to AC120SB Fiber Optic (OPGW) Addition Cost Estimate

Fiber optic (OPGW) cable will need to be brought from the existing Chaparral 115 kV substation to the new AC120SB POI 345 kV substation for the interconnection of AC120SB to the EPE Transmission System. The following sections describe the assumptions and cost estimate for bringing fiber optic (OPGW) cable from Chaparral to AC120SB. Engineering and design work to occur subsequently may result in changed assumptions.

- **Design and Construction Assumptions and Cost Estimate**

  In addition to the general cost estimate assumptions listed in Section 2.0, the following specific assumptions apply to the design and construction estimate for bringing fiber optic (OPGW) cable from Chaparral to AC120SB.

  1. SFPOC/SFSJ-J-4062 OPGW is assumed to be run between Chaparral 115 kV substation and the new AC120SB POI 345 kV substation to replace the existing 3/8" 7-Strand EHS wire. It was assumed that the existing structures will be sufficient to support the new OPGW.

  2. OPGW is assumed to start on the Chaparral to Picante 115 kV transmission line until it intersects with the 345 kV Amrad to Picante transmission line. The OPGW will need to be transitioned between the two lines so it can continue on towards the new AC120SB POI 345 kV substation. It was assumed that this transition will occur at ground level.

  3. Design tension shield wire: 80% of conductor sag under 60°F Normal Conditions.

The cost estimate for bringing fiber optic (OPGW) cable from existing Chaparral 115 kV substation to the new AC120SB POI 345 kV substation is shown in Table C-22 below.

Table C-22: Chaparral to AC120SB Fiber Optic (OPGW) Addition – Network Upgrade Cost Estimate

Item	Material Cost	Labor	Total
Installed Wires	$315,000	$180,000	$495,000
Construction - Incidentals	$0	$40,000	$40,000
Engineering	$0	$24,000	$24,000
Construction - Management	$0	$29,000	$29,000
Contingency (10%)	$32,000	$28,000	$60,000
EPE Direct Cost (6%)	$19,000	$17,000	$36,000
Total Design and Construction	**$366,000**	**$318,000**	**$684,000**

Diablo 115 kV Tie-in

The following sections describe the assumptions and cost estimate for tying in the new 115 kV transmission line from the D150S Generating Facility into the existing Diablo 115 kV substation.

- **Design and Construction Assumptions and Cost Estimate**

  In addition to the general cost estimate assumptions, the following specific assumptions apply to the design and construction estimate for the EPE Interconnection Facilities required for tying in the new 115 kV transmission line from the D150S Generating Facility into the existing Diablo 115 kV substation. Engineering and design work to occur subsequently may result in changed assumptions:

  1. One monopole dead-end structure is assumed to be required to bring the new 115 kV transmission line from the D150S Generating Facility into the existing Diablo 115 kV substation.
  2. The conductors shall be 954 kcmil “Rail” double bundled ACSR per phase.
  3. All hardware assemblies shall use EPE standard polymer insulators with compression dead-end connections.
  4. Ruling Span: 400’
  5. Loading: NESC Light District, NESC Medium District, and EPE standards.
  6. Maximum Conductor Operating Temperature: 212°F

7. Dead-end Structure Design: Self-supported single circuit monopole structure on concrete drilled shafts.
8. Design tension conductor: 25% RBS maximum under NESC Medium and 25% RBS maximum under NESC Light.
9. Shield wire: (1) 3/8" 7-strand steel EHS wire and (1) SFPOC/SFSJ-J-4062 OPGW.
10. SFPOC/SFSJ-J-4062 OPGW will be run between the D150S Generating Facility and the existing Diablo 115kV substation.
11. Design tension shield wire: 80% of conductor sag under 60°F Normal Conditions.
12. Structure Height: Dead-end structures are 85’ total length.
13. Foundations utilize reinforced drilled piers with anchor bolt cages.
14. Foundation sizes and costs were estimated based on data from other projects previously performed in the area.
15. All structures are to be galvanized and estimated cost per pound of steel is $1.75/lb.
16. Construction activities shall be completed by contractor.

- **Cost Estimate**

The cost estimate of the EPE Interconnection Facilities required to connect the D150S Generating Facility into the existing Diablo 115 kV substation is shown in Table C-23 below.

Table C-23: Diablo 115 kV Tie-In - EPE Interconnection Facilities Cost Estimate

Item	Material Cost	Labor	Total
Structure Costs	$25,000	$30,000	$55,000
Foundation Costs	$15,000	$25,000	$40,000
Installed Wires	$30,000	$33,000	$63,000
Construction - Incidentals	$0	$15,000	$15,000
Engineering	$0	$20,000	$20,000
Construction - Management	$0	$21,000	$21,000
Contingency (10%)	$7,000	$15,000	$22,000
EPE Direct Cost (6%)	$5,000	$9,000	$14,000
Total Design and Construction	**$82,000**	**$168,000**	**$250,000**

Santa Teresa 115 kV Tie-in

The following sections describe the assumptions and cost estimate for tying in the 115 kV transmission line from the ST70S Generating Facility into the existing Santa Teresa 115 kV substation.

- **Design and Construction Assumptions and Cost Estimate**

  In addition to the general cost estimate assumptions, the following specific assumptions apply to the design and construction of the EPE Interconnection Facilities required for tying in the new 115 kV transmission line from the ST70S Generating Facility into the existing Santa Teresa 115 kV substation. Engineering and design work to occur subsequently may result in changed assumptions.

  1. One monopole dead-end structure is assumed to be required to bring the new 115 kV transmission line from the ST70S Generating Facility into the existing Santa Teresa 115 kV substation.
  2. The conductors shall be 954 kcmil "Rail" double bundled ACSR per phase.
  3. All hardware assemblies shall use EPE standard polymer insulators with compression dead-end connections.
  4. Ruling Span: 400'
  5. Loading: NESC Light District, NESC Medium District, and EPE standards.
  6. Maximum Conductor Operating Temperature: 212°F
  7. Dead-end Structure Design: Self-supported single circuit monopole structure on concrete drilled shafts.
  8. Design tension conductor: 25% RBS maximum under NESC Medium and 25% RBS maximum under NESC Light.
  9. Shield wire: (1) 3/8" 7-strand steel EHS wire and (1) SFPOC/SFSJ-J-4062 OPGW.
  10. SFPOC/SFSJ-J-4062 OPGW will be run between the ST70S Generating Facility and the existing Santa Teresa 115 kV substation.
  11. Design tension shield wire: 80% of conductor sag under 60°F Normal Conditions.
  12. Structure Height: Dead-end structures are 85' total length.
  13. Foundations utilize reinforced drilled piers with anchor bolt cages.
  14. Foundation sizes and costs were estimated based on data from other projects previously performed in the area.
  15. All structures are to be galvanized and estimated cost per pound of steel is $1.75/lb.
  16. Construction activities shall be completed by contractor.

- **Cost Estimate**

  The cost estimate of the EPE Interconnection Facilities required to connect the ST70S POI into the existing Santa Teresa 115 kV substation is shown in Table C-24 below.

Table C-24: Santa Teresa 115 kV Tie-In – EPE Interconnection Facilities Cost Estimate

Item	Material Cost	Labor	Total
Structure Costs	$25,000	$30,000	$55,000
Foundation Costs	$15,000	$25,000	$40,000
Installed Wires	$30,000	$33,000	$63,000
Construction - Incidentals	$0	$15,000	$15,000
Engineering	$0	$20,000	$20,000
Construction - Management	$0	$21,000	$21,000
Contingency (10%)	$7,000	$15,000	$22,000
EPE Direct Cost (6%)	$5,000	$9,000	$14,000
Total Design and Construction	**$82,000**	**$168,000**	**$250,000**

C. COST SUMMARY

Total Cost Summary

The total cost estimates for each of the EPE Interconnection Facilities are presented in Table C-25.

Table C-25: Total EPE Interconnection Facilities Cost Estimate

AC120SB POI Substation	$682,000	$239,000	$93,000	$93,000	$223,000	$68,000	$1,398,000
AC120SB Tie-in	$68,000	$95,000	$10,000	$11,000	$19,000	$12,000	$215,000
Diablo Substation	$481,000	$208,000	$70,000	$70,000	$167,000	$52,000	$1,048,000
Diablo Tie-in	$70,000	$103,000	$20,000	$21,000	$22,000	$14,000	$250,000
Santa Teresa Substation	$412,000	$329,000	$75,000	$75,000	$179,000	$55,000	$1,125,000
Santa Teresa Tie-in	$70,000	$103,000	$20,000	$21,000	$22,000	$14,000	$250,000
Total EPE Interconnection Facilities Cost	**$1,783,000**	**$1,077,000**	**$288,000**	**$291,000**	**$632,000**	**$215,000**	**$4,286,000**

Cluster Project Cost Allocation

Network Upgrade Costs were allocated across the Fall 2017 Generation Cluster Projects proportionally, based on the requested MW size of each cluster participant. For example, ST70S has requested 70 MW of output and the total Fall 2017 Generation Cluster output requested is 340 MW. ST70S will be responsible for 20.6% (70/340) of the Network Upgrades attributed to the Fall 2017 Generation Cluster Projects.

Table C-26 shows the Network Upgrades allocated across the three (3) Fall 2017 NRIS Cluster Projects.

Table C-26: Network Upgrade Cost Allocation

Network Upgrade	AC120SB Cost	D150S Cost	ST70S Cost	Network Upgrade
AC120SB POI Substation	$4,124,824	$5,156,029	$2,406,147	$11,687,000
Diablo Substation	$353,647	$442,059	$206,294	$1,002,000
Santa Teresa Substation	$858,000	$1,072,500	$500,500	$2,431,000
Mesa Substation	$256,941	$321,176	$149,882	$728,000
Total Network Upgrade Costs	**$5,593,412**	**$6,991,765**	**$3,262,824**	**$15,848,000**

Table C-27 shows the combined EPE Interconnection and Network Upgrade costs for each of the three (3) projects in the Fall 2017 Generation Cluster.

Table C-27: Total Cost per Cluster Project

		Allocated Network	
AC120SB	$1,613,000	$5,593,412	$7,206,412
D150S	$1,298,000	$6,991,765	$8,289,765
ST70S	$1,375,000	$3,262,824	$4,637,824
Total	**$4,286,000**	**$15,848,000**	**$20,134,000**

Appendix D: Security Arrangements Details

Appendix D to LGIA

Security Arrangements Details

Infrastructure security of Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day Transmission System reliability and operational security. FERC will expect all entities, including Transmission Providers, market participants, and Interconnection Customers interconnected to the Transmission System to comply with the Reliability Standards promulgated by FERC and administered by the North American Electric Reliability Corporation (NERC) and associated Regional Reliability Organizations (RRO). In EPE's service territory, the RRO is the Western Electricity Coordinating Council (WECC).

Appendix E: Commercial Operation Date

Appendix E to LGIA

Commercial Operation Date

This Appendix E is a part of the LGIA between Transmission Provider and Interconnection Customer.

[Date]

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P.O. Box 982 - LOC 751
El Paso, Texas 79960

Re: NextEra Energy Resources Large Generating Facility

Dear _____:

On **[Date] NextEra Energy Resources** has completed Trial Operation of AC120SB. This letter confirms that NextEra Energy Resources commenced Commercial Operation of AC120SB, effective as of [**Date plus one day**].

Thank you.

[Signature]

[Interconnection Customer Representative]

Appendix F: Addresses for Delivery of Notices and Billings

Appendix F to LGIA

Addresses for Delivery of Notices and Billings

Notices:

Transmission Provider:
EPE System Planning
Attn: **David Tovar**
P.O. Box 982 - LOC 751
El Paso, Texas 79960
Tel: (915) 543-4355
Email: dav.tovar@epelectric.com

EPE System Planning
Attn: **Roberto Favela**
P.O. Box 982 - LOC 751
El Paso, Texas 79960
Tel: (915) 521-4418
Email: roberto.favela@epelectric.com

Interconnection Customer:
NextEra Energy Resources
Attn: Param Dagar
Senior Business Manager
700 Universe Blvd
Juno Beach, FL 33408
Phone: (561) 691-7548

Billings and Payments:

Transmission Provider:
EPE System Planning
Attn: **David Tovar**
P.O. Box 982 - LOC 751
El Paso, Texas 79960
Tel: (915) 543-4355
Email: dav.tovar@epelectric.com

Interconnection Customer:
NextEra Energy Resources
Attn: Param Dagar
Senior Business Manager
700 Universe Blvd
Juno Beach, FL 33408
Phone: (561) 691-7548

Alternative Forms of Delivery of Notices (telephone, facsimile or email):

Transmission Provider:

Transmission Provider:

EPE System Planning

Attn: Dona Enriquez-AlHekeem

P.O. Box 982 - LOC 751

El Paso, Texas 79960

Tel: (915) 543-4386

Interconnection Customer:

ERRC Control Room

Phone: (888) 202-6337

Appendix G: Interconnection Requirements for a Non-Synchronous Generating Plant

Appendix G to LGIA

Interconnection Requirements for Non-Synchronous Generating Plant[12]

Appendix G sets forth requirements and provisions specific to a non-synchronous generating plant. All other requirements of this LGIA continue to apply to non-synchronous generating plant interconnections.

A. Technical Standards Applicable to a Non-Synchronous Generating Plant

i. Low Voltage Ride-Through (LVRT) Capability

A non-synchronous generating plant shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard below. The LVRT standard provides for a transition period standard and a post-transition period standard.

1. Non-synchronous generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 - 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a

[12] NERC sometimes posts additional guidance applicable to non-synchronous generating resources with respect to performance and response, among other things. NERC guidance may call for more stringent measures than those identified in this LGIA. The Interconnection Customer shall adhere to the more stringent measures. At least 90 days prior to energization of the Large Generating Facility, Interconnection Customer shall conform to NERC's Inverter-Based Resource Performance Guideline in its then-current form, unless this Agreement specifically calls for more stringent measures.

three-phase fault will be specific to the non-synchronous generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the non-synchronous generating plant shall be required to withstand for a three-phase fault shall be 9 cycles at a voltage as low as 0.15 p.u., as measured at the high side of the non-synchronous generating plant step-up transformer (i.e. the transformer that steps the voltage up to the transmission interconnection voltage or "GSU"), after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the non-synchronous generating plant may disconnect from the transmission system.

2. This requirement does not apply to faults that would occur between the non-synchronous generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.

3. Non-synchronous generating plants may be tripped after the fault period if this action is intended as part of a special protection system.

4. Non-synchronous generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr Compensator, etc.) within the non-synchronous generating plant or by a combination of generator performance and additional equipment.

ii. Power Factor, Frequency Performance, Reactive Power and Voltage Performance Design Criteria

A non-synchronous generating plant to which this provision applies shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this LGIA. The power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by the Transmission Provider, or a combination of the two. The Interconnection Customer shall not disable power factor equipment while the non-synchronous plant is in operation. Non-synchronous plants shall also be able to provide sufficient dynamic voltage support in accordance with NERC recommended Interconnection guidelines for Inverter based resources which shall be met at the POI. The reactive capability of the Large Generating Facility shall be dynamic, and be able to supply and absorb reactive current to control Point of Interconnection voltage. Static reactive compensation is only to be used for compensating for losses in the collector system. The Large Generating Facility shall operate primarily in voltage support mode.

The Interconnection Customer will reserve generation headroom to provide frequency ride-through response, and the Large Generating Facility shall respond to overfrequency excursion events outside the deadband by reducing active power output in accordance with the 5 percent droop specification. The Large Generating Facility's total return time shall not exceed 1 second from momentary cessation, and the Large Generating Facility shall have an operating ramp rate of 200%/sec.

Dynamic response of the active power-frequency control system of the Large

Generating Facility, as measured at the Point of Interconnection, should have the capability to meet or exceed the performance specified in Table 1.

Table 1: Dynamic Active Power-Frequency Performance

Parameter	Description	Performance Target
For a step change in frequency as measured at the POI…		
Reaction Time	Time between the step change in frequency and the time when the resource active power output begins responding to the change[i]	< 500 ms
Rise Time	Time in which the resource has reached 90% of the new steady-state (target) active power output command	< 4 sec
Settling Time	Time in which the resource has entered into, and remains within, the settling band of the new steady-state active power output command	< 10 seconds
Overshoot	Percentage of rated active power output that the resource can exceed while reaching the settling band	< 5%**
Settling Band	Percentage of rated active power output that the resource should settle to within the settling time	< 2.5%**

** Percentage based on final (expected) settling value

The Interconnection Customer is required to configure and operate the Large Generating Facility in the automatic voltage control mode necessary to control voltage at the Point of Interconnection to maintain the scheduled voltage provided by Transmission Provider. Transmission Provider and Interconnection Customer shall coordinate with each other to permit Transmission Provider to perform studies on a periodic basis to ensure that voltage schedules and voltage controls are coordinated across the Large Generating Facility and other transmission-connected reactive power devices. Studies shall demonstrate that the Large Generating Facility complies with the most current

NERC guidelines and standards.

The Large Generating Facility shall have the capability to meet or exceed the performance specified in Table 2 and Table 3. Interconnection Customer shall demonstrate compliance with these requirements.

Parameter	Description	Performance Target
For a step change in voltage as measured at the POI…		
Reaction Time	Time between the step change in voltage and when the resource reactive power output begins responding to the change[ii]	< 500 ms*
Rise Time	Time between a step change in control signal input (reference voltage at POI) and when the reactive power output changes by 90% of its final value	< 1-30 sec**
Overshoot	Percentage of rated reactive power output that the resource can exceed while reaching the settling band	< 5%***

* Reactive power response to change in POI voltage should occur with no intentional time delay. ** Response time may be modified based on studied system characteristics.
*** Any overshoot in reactive power response should not cause BPS voltages to exceed acceptable voltage limits.

Parameter	Description	Performance Target
For a large disturbance step change in voltage, where voltage falls outside the continuous operating range, the positive sequence component of the inverter reactive current response should meet the following performance specifications…		
Reaction Time	Time between the step change in voltage and when the resource reactive current output begins responding to the change[iii]	< 16 ms
Rise Time	Time between a step change in control signal input (reference voltage at POI) and when the reactive current output changes by 90% of its final value	< 100 ms
Overshoot	Percentage of rated reactive current output that the resource can exceed while reaching the settling band	Determined by the TP/PC*

* Any overshoot in reactive power response should not cause BPS voltages to exceed acceptable voltage limits. The magnitude of the dynamic response may be requested to be reduced by the TP or PC based on stability studies.

iii. Supervisory Control and Data Acquisition (SCADA) Capability

The non-synchronous plant shall provide SCADA capability to transmit data and receive instructions from the Transmission Provider to protect system reliability. The Transmission Provider and the non-synchronous plant Interconnection Customer shall determine what SCADA information is essential for the proposed non-synchronous plant, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability in its area.



AC120SB
D150S

ADDENDUM TO ADJUST ALLOCATION OF NETWORK UPGRADES RESULTING FROM WITHDRAWAL OF A CLUSTER PARTICIPANT

MAY 2020

LGIA ADDENDUM

There has been a recent withdrawal of one of the cluster participants identified in Appendices A and C of this LGIA. The withdrawn project is identified in the Appendices as ST70S. This addendum presents an updated identification of facility cost estimates allocated between the two remaining cluster participants, AC120SB and D150S.

Total Cluster Projects Cost Estimates

Item	Material	Labor Cost	Engineering	Construction Mgmt	Contingency	EPE Direct	Total
EPE Interconnection Facilities	$1,601,000	$645,000	$193,000	$195,000	$431,000	$146,000	$3,211,000
Network Upgrades	$5,932,000	$2,979,000	$955,000	$828,000	$2,073,000	$650,000	$13,417,000
Estimated Cost	**$7,533,000**	**$3,624,000**	**$1,148,000**	**$1,023,000**	**$2,504,000**	**$796,000**	**$16,628,000**

Total Network Upgrade Cost & Allocation

		D150S Cost Allocation	Network Upgrade Estimate
AC120SB POI Substation	$5,194,222	$6,492,778	$11,687,000
Diablo Substation	$445,333	$556,667	$1,002,000
Mesa Substation	$323,556	$404,444	$728,000
Network Upgrade Cost Per Applicant	**$5,963,111**	**$7,453,889**	**$13,417,000**

Total Cost Estimate per Cluster Project

	EPE Interconnection	Allocated Network Upgrade Costs	
AC120SB	$1,913,000	$5,963,111	$7,876,111
D150S	$1,298,000	$7,453,889	$8,751,889
Total	**$3,211,000**	**$13,417,000**	**$16,628,000**

El Paso Electric Company (Transmission Provider and Transmission Owner)

Signature:

Name: Adrian J. Rodriguez

Title: Interim Chief Executive Officer

Date: 5/20/2020

NextEra Energy Resources, LLC (Interconnection Customer, AC120SB)

Signature:

Name: Matthew S. Handel

Title: Senior Vice President

Date: 5/19/2020

APPROVED AS TO FORM
OFFICE OF THE GENERAL COUNSEL

Tariff Submitter:	El Paso Electric Company
FERC Tariff Program Name:	FERC FPA Electric Tariff
Tariff Title:	Open Access Transmission Tariff
Tariff Record Proposed Effective Date:	October 21, 2020
Tariff Record Title:	OATT, Nonconforming Service Agreements, Service Agreement No. 337, EPE - TEP Pseudo-Tie Agreement, 0.0.0
Option Code:	A
The Entity Receiving Service Under the Agreement:	Tucson Electric Power Company ("TEP")
Brief Description of the Service Agreement:	EPE - TEP Pseudo-Tie Agreement

OSO GRANDE WIND BALANCING AUTHORITY
PSEUDO-TIE COORDINATION AGREEMENT

This Oso Grande Wind Balancing Authority Pseudo-Tie Coordination Agreement ("Agreement") is made effective as of the Effective Date (as defined herein), by and between El Paso Electric Company ("EPE"), a corporation organized and existing under the laws of the state of Texas, and Tucson Electric Power Company ("TEP"), a corporation organized and existing under the laws of the State of Arizona. EPE and TEP are individually referred to herein as "Party," or collectively as "Parties."

RECITALS

WHEREAS, TEP owns the Oso Grande Wind Generating Facility ("Oso Grande Wind Facility"), an approximately 250 MW[1] wind generating station located in New Mexico, and owns and controls the output of the facility;

WHEREAS, EPE and TEP have entered into a Large Generating Interconnection Agreement ("LGIA"), designated by EPE as Service Agreement No. 328 under the EPE Open Access Transmission Tariff ("OATT"), to interconnect the Oso Grande Wind Facility to the EPE transmission system at a point located in Eddy County, New Mexico;

WHEREAS, the Oso Grande Wind Facility is physically interconnected to the EPE transmission system;

WHEREAS, EPE and TEP is each a NERC-registered Balancing Authority (BA) with a respective Balancing Authority Area (BAA);

WHEREAS, as of the Effective Date herein, EPE and TEP intend to establish a pseudo-tie between their respective BAAs at the location at which the Oso Grande Wind Facility interconnects with EPE's Empire 345 kV Substation (hereinafter referred to as the "Oso Grande Pseudo-Tie" and sometimes simply as "Pseudo-Tie" or "pseudo-tie");

WHEREAS, TEP has requested that EPE dynamically transfer the output of the Oso Grande Wind Facility into the metered boundary of TEP's BAA through the Oso Grande Pseudo-Tie, such that TEP will serve as the BA for the Oso Grande Wind Facility.

NOW, THEREFORE, the Parties enter into this Agreement to document and make clear their respective obligations to each other once the Oso Grande Pseudo-Tie is effective, including, without limitation, compliance with applicable rules, regulations, and NERC Reliability Standards and to execute their commitment to the effectiveness of the Oso Grande Pseudo-Tie.

---

[1] The Oso Grande Wind Facility was originally sized at 247.4 MW; however, a subsequent interconnection request was submitted and processed to increase the size of the generating facility through the addition of another wind turbine. The LGIA was amended to show an updated total generating facility MW size of 249.8 MW.

AGREEMENT

1. **Recitals.** The above recitals are incorporated as a part of this Agreement.

2. **Definitions.** Unless otherwise defined in this Agreement, any defined or capitalized terms shall have the same definitions as set forth in NERC's Glossary of Terms Used in NERC Reliability Standards. For purposes of this Agreement, the following terms shall have the meanings set forth below:

   2.1 **Affiliate** shall mean, with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

   2.2 **Effective Date** means the date this Agreement is permitted to take effect by FERC.

   2.3 **Facility** means the Oso Grande Wind Facility located approximately 35 miles from the EPE Empire 345 kV Substation in Eddy County, NM.

   2.4 **FERC** means the Federal Energy Regulatory Commission or its successor.

   2.5 **NERC** means the North American Electric Reliability Corporation or its successor.

   2.6 **Party** means a Party and its representatives, including a Party's officers, directors, agents, contractors, and employees.

   2.7 **Point of Interconnection** means the point at which the Oso Grande Wind Facility is connected to the EPE transmission system, as defined in the Large Generator Interconnection Agreement between the Parties, and shown in the one-line diagram attached hereto as Exhibit A.

   2.8 **Remote Terminal Unit or RTU** means a microprocessor-controlled electronic device that interfaces objects in the physical world to a distributed control system or supervisory control and data acquisition system by transmitting telemetry data to the system, and by using messages from the supervisory system to control connected objects.

   2.9 **WECC** means the Western Electricity Coordinating Council or its successor.

3. **Exclusion of Oso Grande Wind Facility from the EPE BAA**

   3.1 **Establishment of Pseudo-Tie Point.** From and after the Effective Date hereof, the point at which electrical interconnection is made between EPE's

BAA and TEP's BAA at the EPE Empire 345 kV Substation, defined in the one-line diagram attached hereto as Exhibit A, shall be the Oso Grande Pseudo-Tie Point ("Pseudo-Tie Point"). The output of the Oso Grande Wind Facility metered at the Oso Grande Pseudo-Tie Point shall, as between the Parties, be treated as a Balancing Authority Interchange to, from, and/or between the TEP BAA and the EPE BAA (for the avoidance of doubt, whether or not, at the time of delivery of such output, the metering, data processing, telemetry and other equipment associated with the Pseudo-Tie Point is properly functioning). Calculations for the Oso Grande Pseudo-Tie are detailed in Exhibit C.

3.2 **Implementation.** Each Party shall ensure that the operating equipment, including meters, RTUs and Inter-Control Center Communications Protocol (ICCP) and other communication, telecommunication, and data exchange equipment and capabilities for which it is responsible under this Agreement (as listed in Exhibit B), are appropriately placed, operated, and maintained such that the necessary data exchange, under this Agreement, is facilitated, and shall take all other actions required of it, to create and have the Oso Grande Pseudo-Tie Point recognized as a BA Interchange between the TEP BAA and the EPE BAA for the purpose of allowing Oso Grande Wind Facility to be treated as being in the TEP BAA. Without limiting the foregoing, TEP shall undertake the design, construction, operation and maintenance for which it is responsible under this Agreement and as applicable, the LGIA, in accordance with relevant NERC Reliability
Standards, and consistent with TEP's responsibilities under the LGIA. The LGIA specifically provides that with respect to any equipment installed to effectuate TEP's desired dynamic transfer of Oso Grande Wind Facility output to the TEP BAA, TEP shall own and maintain the equipment, and shall be responsible for NERC Reliability Standard compliance without regard to whether any such equipment is installed on EPE's premises.

3.3 **BAAs.** The Parties agree that, upon the Effective Date, the Oso Grande Wind Facility will be pseudo-tied out of the EPE BAA and added to, and included in, the TEP BAA, and further agree that the Oso Grande Wind Facility shall be excluded from the EPE BAA. The Parties also agree that the inclusion of the Oso Grande Wind Facility in the TEP BAA and the exclusion of the Oso Grande Wind Facility from the EPE BAA shall continue until this Agreement is terminated by the Parties in accordance with Section 24 of this Agreement. The exclusion of Oso Grande Wind Facility from the EPE BAA does not relieve the TEP BAA of its responsibility for the auxiliary power requirements associated with the operation of Oso Grande Wind Facility. Similarly, this Agreement does not relieve TEP from any of its responsibilities and obligations as Interconnection Customer of EPE under the LGIA and as Transmission Customer of EPE under EPE OATT Service Agreement Nos. 329 through 332. Exhibit A depicts the Pseudo-Tie Point between the TEP BAA and the EPE BAA.

3.4 **EPE BA OBLIGATIONS.** EPE, under this Agreement, assumes no

obligation of performing any BA services or functions for the Oso Grande Wind Facility side of the Pseudo-Tie Point. EPE's only obligation is to provide Energy Resource Interconnection Service to TEP under the terms of the LGIA.

3.5 **TEP BA OBLIGATIONS.** TEP, under this Agreement, assumes all obligations for the performance or offering of BA services and functions on the Oso Grande Wind Facility side of the Pseudo-Tie Point, including those obligations, offerings and provision of services of TEP, as a BA, that are associated with the addition of the Oso Grande Wind Facility to the TEP BAA. TEP understands and acknowledges that under the LGIA, EPE has important rights to protect the reliability of its system and its customers, and such rights include the right to specify or limit the output of the Oso Grande Wind Facility. TEP's role as BA of the Oso Grande Wind Facility does not impede the exercise of EPE's rights under the LGIA.

4. **No Transmission Service.** Nothing in this Agreement confers any rights or obligations regarding the provision or use of transmission service by or from either Party, which shall remain subject to separate agreements. EPE will not permit the operation of Oso Grande Wind Facility without the appropriate Transmission Service Agreements in place for the transmission across the EPE system of the output of the Oso Grande Wind Facility. TEP has secured long-term firm and conditional firm point-to-point transmission service under EPE's OATT for the movement of the output of the Oso Grande Wind Facility. The Parties understand and acknowledge that any expansion of the Oso Grande Wind Facility or other generating facility that may occur does not give rise to an automatic right of TEP or any other entity to have any increased output of the facility pseudo-tied into the TEP BAA.

5. **Mutual Obligations.**

5.1 **Retention of Existing Processes.** Nothing in this Agreement shall terminate or supersede the existing processes, procedures, and coordination between TEP and EPE as BAs. To the extent that the implementation of the Oso Grande Pseudo-Tie necessitates revision to existing processes, procedures, and coordination, EPE and TEP shall coordinate and cooperate in good faith to develop and implement mutually-acceptable revisions to existing processes. At the request of either Party, an operating committee shall be established for the purpose of more structured coordination and communication between the Parties with regard to the Oso Grande Pseudo-Tie.

5.2 **Compliance with Regulatory Requirements.** Operation of the Oso Grande Pseudo-Tie shall comply with all applicable NERC and WECC Reliability Standards and regional reliability criteria regarding inter-BAA scheduling.

Nothing in this Agreement shall alter the obligation that each of the Parties

is solely responsible for compliance with all applicable laws, rules, regulations, or reliability requirements including, without limitation, the NERC Reliability Standards that are applicable to BAs, except as otherwise provided in the LGIA, which agreement provides for sole TEP responsibility for certain activities, including, for example, compliance with certain maintenance and testing of communications equipment located at EPE's Empire 345 kV Substation.

6. **Information Exchange, Communications, Metering and Operating Data.**

6.1 **Information Exchange.** The Parties agree to exchange information related to the Pseudo-Tie Point, Oso Grande Pseudo-Tie, telemetry sent and received with respect to the delivery of energy, and any other information necessary to implement this Agreement (i) at the request of the other Party for purposes of after-the-fact Interchange accounting or (ii) on reasonable demand for any other purpose where necessary to implement or enforce this Agreement.

6.2 **Communication.** The Parties shall each operate and maintain a 24-hour, 7-day control center with real-time scheduling and control functions.
Appropriate control center staff will be provided by each Party who shall be responsible for operational communications and who shall have sufficient authority to commit and bind that Party. The Parties shall jointly develop any new or revised communication procedures necessary to support scheduling and dispatch functions relative to the Oso Grande Pseudo-Tie. The Parties agree to exchange operational contact information as of the effective date of this Agreement. Each Party shall provide the other Party ten (10) calendar days' advance written notice of updates to its operational contact information for known changes, and as soon as practical, for unplanned changes.

6.3 **Communications Equipment - Remote Terminal Unit.** Prior to the Initial Synchronization Date of the Oso Grande Wind Facility, an RTU, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by TEP, or by EPE at TEP's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by EPE through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1 of the LGIA. The communication protocol for the data circuit(s) shall be specified by EPE. Instantaneous bidirectional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by EPE.

Each Party will promptly advise the other Party if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.

6.4 **Telemetry.** For each operating hour, the Parties shall provide the data for the Oso Grande Pseudo-Tie that is necessary to implement this Agreement and fulfill their respective obligations. If communication is lost between either of the Parties, the Parties will freeze the Pseudo-Tie value at the last known value and it is the responsibility of TEP to verbally communicate changes of the real time Pseudo-Tie value with EPE.

6.5 **Metering.** The design, construction, operation and maintenance of real-time and historical systems and communications equipment, including one-line diagrams, as reasonably needed to provide and communicate real-time Pseudo-Tie values, shall be approved in advance by EPE. Such communication signal shall be provided in a manner mutually agreed to between the Parties. EPE and TEP will use the EPE-metered values as a common source for the BA Interchange. Exhibit B identifies metering and communications equipment located at the Empire 345 kV Substation and designates, as between EPE and TEP, which Party is responsible for the equipment's testing, operation and maintenance, as well as compliance responsibilities under the NERC Reliability Standards. Equipment and data transmission services necessary to effectuate and maintain dynamic transfer shall be reviewed and approved by EPE, in advance. Data to be transmitted to TEP shall simultaneously be transmitted to EPE at EPE's control center.

6.6 **Metering Inaccuracy.** For metering on the Oso Grande Pseudo-Tie, a discrepancy outside the two percent range identified in the LGIA will be considered a metering inaccuracy in accordance with ANSI C12.1 Section 5.1.2. Corrections consistent with an alternate data source(s), as agreed to by the Parties, shall be trued-up and settled in kind.

6.7 **Testing of and Access to Equipment.** The Parties agree to test their equipment no less frequency than as required and stated in the LGIA to ensure continued operation and accuracy. A list of equipment associated with the implementation of the Oso Grande Pseudo-Tie and Party's responsibilities to operate, test, and maintain is provided at Exhibit B.

Each Party shall grant to the other Party reasonable access to the meters, RTU(s) and any other associated communications equipment, if applicable, in accordance with each such granting Party's access, safety and other applicable requirements.

7. **Cost Responsibility.** All costs associated with owning, operating, testing, and maintaining meters, associated software and/or other related capabilities shall be the responsibility of the Party that owns such equipment. The foregoing notwithstanding, where significant additions or modifications by EPE are required as a result of modifications or removals by TEP of TEP's own equipment, TEP will pay actual costs incurred by EPE, as defined in this Section 7, which are

appropriately assigned to TEP; provided, however, that TEP shall notify and secure EPE's advance written approval prior to making significant modifications to

TEP's equipment, in instances in which such modifications may impact EPE. TEP has the right to request documentation from EPE related to any cost which EPE seeks to directly assign to and collect from TEP and EPE shall comply with TEP's reasonable requests. For the avoidance of doubt, the Parties agree that (i) TEP shall be responsible for the cost of EPE's implementation of the Oso Grande Pseudo-Tie and for the ongoing maintenance and testing of EPE's equipment related to the Oso Grande Pseudo-Tie identified in Exhibit B, and that (ii) any additional cost will be subject to this Section 7.

8. **Disputes.** Disputes arising out of or in connection with this Agreement shall be resolved as follows:

In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this Agreement, or its performance hereunder, such Party shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior executive officer of each Party for resolution by mutual agreement of the designated senior executive officers on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the Parties are unable to resolve the claim or dispute as provided for above, each Party may seek relief through unassisted or assisted negotiations within sixty (60) calendar days of the other Party's receipt of the Notice of Dispute. If resolution still cannot be achieved, such claim or dispute may be submitted to any competent court or agency for resolution.

9. **Notice.** Any notice, request, or demand between the Parties made in accordance with any provision hereof, except as otherwise provided herein, must be given in writing to the persons indicated below, or to such person or persons as may be designated from time to time by the Parties; provided, however, that if circumstances occurring in real-time operations makes it essential for a request to be made by one Party to the other Party, such request may be made orally.

Notice to EPE shall be addressed to: Abel Bustillos Manager- Grid Operations El Paso Electric Company P.O. Box 982, LOC 751 El Paso Texas, 79960 Email: Abel.Bustillos@epelectric.com Phone: (915) 543-2065	Notice to TEP shall be addressed to: Sam Rugel Director, System Control & Reliability Tucson Electric Power Mail Stop SC208 PO Box 711 Tucson, AZ 85702 Email: SRugel@tep.com Phone: (520) 745-3265 Fax: (520) 571-4066
Notice to EPE for real-time coordination: Abel Bustillos Manager- Grid Operations El Paso Electric Company P.O. Box 982, LOC 751	Notice to TEP for real-time coordination: Lauren Briggs Manager, Balancing Authority Tucson Electric Power Mail Stop SC208 PO Box 711

El Paso Texas, 79960 Email: Abel.Bustillos@epelectric.com Phone: (915) 543-2065	Tucson, AZ 85702 Email: LBriggs@tep.com Phone: (520) 745-7157 Fax: (520) 571-4066

10. **Notice of Changes.** Within seven (7) calendar days prior to any change with regard to the physical, logical, and/or transactional configuration of the Oso Grande Pseudo- Tie Point as performed or overseen by either Party, such Party shall provide the other Party with written notification of such change. Any such changes shall include, but are not limited to, metering points, ratings, or modeling.

Nothing within this Section 10 is intended to supersede any otherwise applicable regulatory or contractual requirement or obligation to notify EPE of changes to the physical, logical, and/or transactional configuration of TEP facilities physically located within and pseudo-tied out of the EPE BAA or operations or operational changes that would impact the EPE BAA or the ability of EPE to fulfill its obligations.

11. **Default.** Except for any obligation to make any payments under this Agreement, neither Party shall be considered to be in default or breach of this Agreement, or liable in damages, or otherwise responsible to the other Party, for any delay in or failure to carry out any of its obligations under this Agreement if the Party is unable to perform, or is prevented from performing, by an event of Force Majeure.

11.1 A Party alleging non-performance, including non-payment, under this Agreement shall provide written notice of such non-performance within seven (7) calendar days to the alleged non-performing Party. The alleged non-performing Party then shall have seven (7) calendar days (or some other time period agreed to by the Parties) to correct the non-performance or to dispute the allegation of non-performance pursuant to the provisions of Section 8 of this Agreement.

11.2 If a Party fails to correct the non-performance, including non-payment, or fails to dispute the allegation of non-performance or the Party is found to be a non- performing Party through the dispute resolution provisions herein and fails to correct the non-performance as provided above, then the Party shall be considered to be in default.

12. **Force Majeure** shall be given the meaning in Article 16 of the LGIA.

13. **Liability.**

Neither Party shall be liable, whether based on contract, indemnification, warranty, equity, tort, strict liability, or otherwise, to the other Party for damages including, without limitation, legal fees and litigation costs and incidental, consequential, punitive, special, multiple, exemplary, or indirect damages arising or resulting from any act or omission in any way associated with this Agreement including, but not limited to, any act or omission that results in an interruption, deficiency, or imperfection of service, or billing error, except in the case of gross negligence or

intentional wrongdoing by such Party.

Neither Party shall be liable for damages arising out of actions under this Agreement including, but not limited to, any act or omission that results in an interruption, deficiency, or imperfection of service, or billing error, occurring as a result of conditions or circumstances beyond the control of such Party, or an electric system design common to the domestic electric utility industry or electric system operational practices or conditions common to the domestic electric utility industry. Without limiting the previous paragraph, neither Party shall be liable for acts performed or omissions made in compliance with or based on attempts to comply with directives of the Reliability Coordinator.

The limitations set forth in this Section do not and shall not be construed to limit either Party's indemnification obligations in Section 14.

The Parties understand and acknowledge that EPE may disconnect the Oso Grande Wind Facility or issue operating instructions to TEP and its representatives in circumstances in which EPE must act to avoid or mitigate threats to the reliability of the EPE system, and that any interruption to the interchange at the Pseudo-Tie Point in such circumstances is not a breach of this Agreement.

14. **Indemnification.** Each Party shall, at all times, indemnify, defend, and save the other Party harmless from any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties arising out of or resulting from the performance of this Agreement, to the extent due to the gross negligence or intentional wrongdoing of such Party.

15. **Penalties.** The Parties expressly acknowledge that implementation of the Oso Grande Pseudo-Tie at EPE's Empire 345 kV Substation requires TEP to install, test, inspect and maintain equipment at the Empire 345 kV Substation. TEP shall own and have all compliance responsibility for such equipment, as identified in Exhibit B. In addition, TEP is to have all compliance responsibility, including BA compliance responsibility, for the Oso Grande Wind Facility imposed under FERC, NERC and WECC requirements. In other respects, the Parties, when performing their responsibilities under this Agreement shall be responsible for complying with the applicable FERC, NERC, and WECC requirements associated therewith. Notwithstanding the foregoing, no Party shall be responsible, nor held liable, for any alleged violation of a NERC or WECC Reliability Standard arising out of the other Party's alleged non-compliance with the Reliability Standards
applicable to such other Party's NERC registered functions, as determined by NERC and/or WECC, as applicable. Nothing in this Section affects the Party(ies) rights under Section 400 of and Section 5 of Appendix 4C to the NERC Rules of Procedure, as may be amended from time to time.

TEP, as BA for the Oso Grande Wind Facility, is responsible for paying any monetary penalty assessed to TEP by FERC, NERC, or WECC for violation of any

of the BA or other Reliability Standards applicable to TEP as BA of the Oso Grande Wind Facility.

In addition to any obligations set forth in this Agreement, the Parties agree to cooperate fully to provide each other the information, documentation and assistance necessary to demonstrate compliance with their respective obligations. Unless otherwise agreed, the Parties agree that, upon fifteen (15) business days of receipt of a request from the Party requesting the information, the other Party responsible for providing the information shall timely deliver the requested information. The Parties further agree to cooperate and participate with the other Party in the event that either party is subject to any compliance monitoring process (whether by the FERC, NERC, or WECC) relative to this Agreement or a Party seeks to challenge any violations that are the basis for a possible penalty related to compliance with regulatory requirements associated with this Agreement. Cooperation and participation shall consist of provision of any assistance, documentation and information reasonably requested by a Party when responding to notices of Reliability Standard violations.

16. **Waivers.** Any waiver, or any delay short of the statutory period of limitation in asserting or enforcing any right under this Agreement, or any waiver of a breach of any term in this Agreement, will not be considered (1) a waiver of a further breach of the same term, or (2) a waiver of a breach of any other term.

17. **Severability.** Each provision of this Agreement shall be interpreted, to the maximum extent permitted by applicable law, such that each provision is valid and enforceable under applicable law. Any invalid or unenforceable provision of this Agreement shall be ineffective only to the extent of such invalidity or unenforceability and shall be deemed reformed and modified to the limited extent required under applicable law to permit its validity and enforcement in a manner most closely representing the intention of the Parties as expressed herein. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

18. **Amendments.** This Agreement may be amended only by written documents signed by the Parties.

19. **Successors and Assigns; Assignment.** No rights of either Party hereunder shall be assigned by it without the prior consent in writing of the other Party, which consent shall not be unreasonably withheld.

20. **Third Party Beneficiaries.** This Agreement confers no rights, remedies or benefits of any character whatsoever on any third party, other than the Parties to this Agreement and their respective successors and permitted assigns.

21. **Titles and Headings.** Titles and headings are inserted in this Agreement for reference purposes only, and must not be used to interpret this Agreement.

22. **Governing Law.** This Agreement shall be governed by the laws of the State of

New Mexico, without regard to its conflicts of law principles.

23. **Prevailing Provisions.** The Parties hereto are also parties to other agreements, and to the extent that any provisions contained in such other agreements differ and/or contradict any provisions in this Agreement, such provisions in other agreements neither modify nor otherwise limit the duties applicable under this Agreement, except with respect to the LGIA. In the event of a conflict between the LGIA and this Agreement, the LGIA prevails.

24. **Term and Termination.** This Agreement shall become effective upon the Effective Date, and shall continue in effect for as long as the Oso Grande Wind Facility is interconnected to the EPE transmission system, unless terminated earlier through express mutual agreement of the Parties, in writing. This Agreement shall terminate automatically if EPE is no longer the BAA Operator for the Empire Substation. In addition, this Agreement shall terminate upon default under this Agreement by a Party if such non-performance remains uncured as provided in Section 11, in which case termination is effective immediately upon written notice of termination by the non-breaching Party. Further, because the LGIA between the Parties states expressly that TEP, and not EPE, shall be the BA for the Oso Grande Wind Facility and that the output of the Oso Grande Wind Facility shall be dynamically transferred to TEP, termination of this Agreement directly affects the terms of the LGIA. Accordingly, the Parties agree to renegotiate the terms contained in the LGIA impacted by the termination of this Agreement, including, for example, the identification of facilities and procedures necessary for another entity to function as BA for the Oso Grande Wind Facility. Nothing in this Agreement shall limit the rights of the Parties under any applicable provision of the Federal Power Act or FERC's rules and regulations thereunder unless terminated as provided for herein.

25. **Survival of Indemnification.** The provisions of this Agreement related to any indemnification obligation shall survive the termination of this Agreement to the full extent necessary for their enforcement and the protection of the Party in whose favor they run with regard to actions or inactions occurring prior to the effective date of the termination.

26. **Material Modification of Duties.** In the event of a material change in the duties imposed upon Balancing Authorities by NERC, WECC, the applicable Reliability Coordinator, a regulatory authority, or similar entity that directly affects the terms of this Agreement, the Parties agree to renegotiate such terms contained herein as may be impacted by such change.

27. **Confidentiality.** In general, personnel of TEP or EPE performing functions under this Agreement shall keep all information received from the other Party or other entities relating to its performance under this Agreement confidential and shall not disclose such information unless permitted under other data sharing agreements of which EPE and TEP are both parties to. Further, TEP and EPE will not share any non-publ ic tr a n sm i s s io n f un ct io n information provided by the other Party pursuant to this Agreement with any employee, contractor,

consultant, or agent of the Party receiving the information or any Affiliate of that same Party who performs “Marketing Functions” as that term is defined 18 C.F.R. § 358.3.

28. **No Limitation of Rights.** Nothing in this Agreement shall expand, modify or limit the rights of either Party existing separately and independently of this Agreement, now or in the future.

29. **Entire Agreement.** This Agreement and its Exhibits contain the entire understanding between the Parties with respect to the subject matter herein; except for the LGIA, which agreement contains important provisions relevant to responsibilities, including but not limited to cost responsibility and BA to BA responsibilities, associated with the Oso Grande Pseudo-Tie. The LGIA
sometimes uses the terms, “Control Area” or “Control Area Operator,” in place of BA or BAA.

30. **Execution.** This Agreement may be executed in multiple counterparts, each as an original, and shall be binding upon the successors and permitted assigns of the respective Parties hereto.

EL PASO ELECTRIC COMPANY	TUCSON ELECTRIC POWER COMPANY
By: _____	By: Lauren Briggs
Name: _____	Name: Lauren Briggs
Title: _____	Title: Mgr, Balancing Authority
Date: _____	Date: 10/19/2020

EL PASO ELECTRIC COMPANY

By: [redacted]

Name: Ernesto Martinez **Title:** Sr. Director- System Operations & Planning

Date: 10/19/2020

TUCSON ELECTRIC POWER COMPANY

By: _____

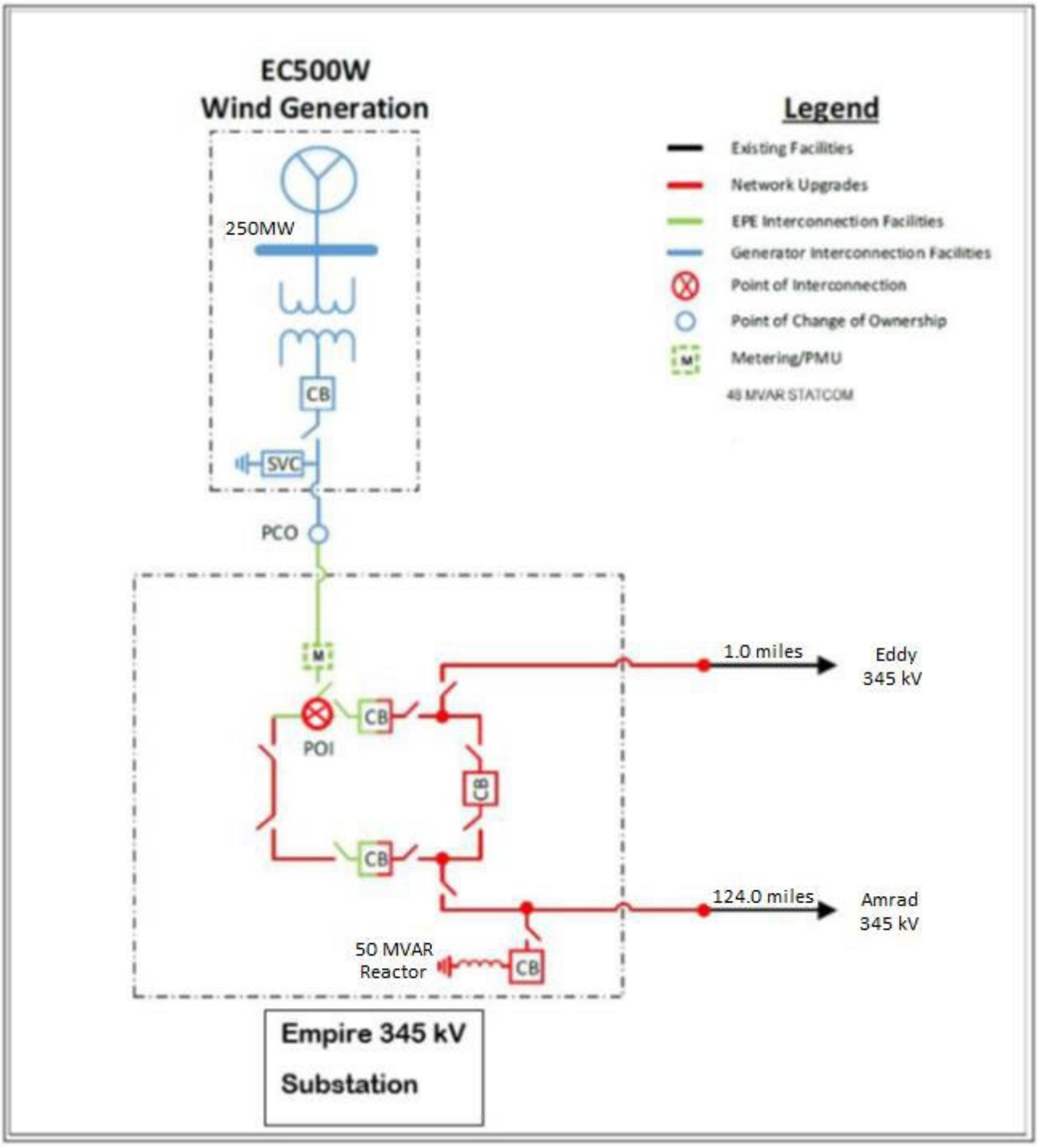
Name: _____

Title: _____

Date: _____

EXHIBIT A

ONE LINE DIAGRAM OF OSO GRANDE PSEUDO-TIE POINT



The Oso Grande Pseudo-Tie Point shall be the Point of Interconnection at EPE's Empire 345 kV Substation as pictured.

EXHIBIT B
RESPONSIBILITY FOR METERS AND COMMUNICATIONS EQUIPMENT

Facilities at Empire 345 kV Substation	**Responsibility**
• Metering	
o 1 primary meter (currently, SEL-735) and 1 backup meter (currently, SEL-735), and associated cable(s)	EPE
• Communications	
o 1 RTU (currently, SEL-3555), and associated cable(s)	EPE
o RX1500 (Router/switch) With associated Ethernet cables	TEP
o Fiber optic cables (and any associated equipment) running between (a)TEP's generating station facilities located at or adjacent to the site of the Oso Grande Wind Facility, and (b) and the Point of Change of Ownership shown in Exhibit A.	TEP
o Nokia 7705 (communications transport equipment) With associated fiber jumpers and Ethernet cables	TEP
o [Placeholder to identify the additional circuit installed/to be installed by TEP]	

EXHIBIT C

OSO GRANDE PSEUDO-TIE METERING CALCULATIONS

The pseudo-tie value is the total net output of the Oso Grande Wind Facility as measured at the Pseudo-Tie Point when the Facility is generating at least one megawatt or greater.

The pseudo-tie value can be calculated as follows:

- Calculate the TEP net output as the meter value at the Point of Interconnection as pictured in Exhibit A.

- If the TEP net output is less than zero as a result of Oso Grande Wind Facility startup, the pseudo-tie value may be allowed to go negative for short durations and in nominal quantities, as permitted by EPE.

Tariff Submitter:	El Paso Electric Company
FERC Tariff Program Name:	FERC FPA Electric Tariff
Tariff Title:	Open Access Transmission Tariff
Tariff Record Proposed Effective Date:	December 31, 2023
Tariff Record Title:	OATT, Nonconforming Service Agreements, Service Agreement No. 355, Simultaneous Exchange with Dynasty or Alternative Unaffiliated Counterparty, 0.3.0
Option Code:	A
The Entities Receiving Service Under the Agreement:	EPE and Dynasty (or alternative unaffiliated counterparty)
Brief Description of the Service Agreement:	Simultaneous Exchange

WSPP Service Schedule B

CONFIRMATION

BETWEEN

Dynasty Power Inc. [or Alternate Unaffiliated Third Party]

And

El Paso Electric Company

Dynasty Power Inc. [or alternate unaffiliated third party] and El Paso Electric Company are parties to WSPP ("the Contract"). The Contract contemplates the parties entering into Transactions, reduced to writing in a Confirmation. All provisions contained in the Contract govern this Confirmation and all capitalized terms have the same meaning as in the Contract except as expressly modified below:

Part A: Supply at AMRAD345

- Trade Date: xx-xxx-xxx
- **Trade Type**: Firm Power and Contingent Upon the Availability of the Eddy County DC-Tie and
- Public Service Company of New Mexico (PNM) transmission service from Eddy 230 to Amrad 345
- **Seller**: Dynasty Power Inc. (DYNP) [or alternate unaffiliated third party seller]
- **Purchaser**: El Paso Electric Company (EPEC)
- **Contract Quantity**: up to 67.00 MW
- **Applicable Hours**: 7x24
- **Schedule (Days and Hours)**: Mon-Sun (HE 0100-2400) PPT
- **Delivery Period**2024-01-1 through 2026-12-31 (the start date will be the later of 2024-01-01 or the effective date of FERC approval), subject to mutually agreed upon contract quantities between 0 MW and 67 MW by involved parties)
- **Delivery Point**: AMRAD345
- **Commodity Reference Price**: For deliveries made to the Delivery Point, the Purchaser will be charged based on the average prices published on www.theice.com, ICE Global markets in clear view, for ICE OTC, North American Power, under the heading ICE Day Ahead Power Price Report Palo Verde Peak for each Peak MWh delivery during the applicable day or Palo Verde Off-Peak for eachOff-Peak MWh delivery during the applicable day (the “ICE PALO Price”)

Part B: Supply at PALOVERDE500

- **Trade Type**: Service Schedule B – Palo Verde Nuclear Generating Station - Unit Contingent Physical Power
- **Seller**: EPEC
- **Purchaser**: DYNP [or alternate unaffiliated third party]
- **Contract Quantity**: Contract Quantity will be identical to the Contract Quantity delivered in Part A above, up to 67.00 MW.

- **Applicable Hours**: 7x24
- **Business Days**: Mon-Sun (HE 0100-2400) PPT
- **Delivery Period**: 2024-01-1 through 2026-12-31 (the start date will be the later of 2024-01-01 or the effective date of FERC approval), subject to mutually agreed upon contract quantities between 0 MW and 67 MW by involved parties).
- **Delivery Point**: PALOVERDE500
- **Commodity Reference Price**: For deliveries made to the Delivery Point, the Purchaser will be charged based on the average prices published on www.theice.com, ICE Global markets in clear view, for ICE OTC, North American Power, under the heading ICE Day Ahead Power Price Report Palo Verde Peak for each Peak MWh delivery during the applicable day or Palo Verde Off-Peak for eachOff-Peak MWh delivery during the applicable day (the "ICE PALO Price") plus $7.00/MWh for June through September and plus $5.25/MWh for January through May and October through December.

Part C: Palo Verde Nuclear Generating Station Outage

- **Outage**: In the event Palo Verde Nuclear Generating Station sustains an Outage, Part A of this Service Schedule B will remain in effect should the Part A Purchaser so elect, and if Purchaser elects to purchase under Part A during outage conditions. Purchaser will accept and pay for the mutually agreed-upon Contract Quantity delivered under Part A criteria. Part B will be suspended for the duration of the Outage.

Other Details

- **Renewal**: This transaction will continue from 2024-01-01 through 2026-12-31, unless DYNP or EPEC opts out.

Tariff Submitter:	El Paso Electric Company
FERC Tariff Program Name:	FERC FPA Electric Tariff
Tariff Title:	Open Access Transmission Tariff
Tariff Record Proposed Effective Date:	June 11, 2021
Tariff Record Title:	OATT, Nonconforming Service Agreements, Service Agreement No. 352, Simultaneous Exchange with TransAlta, 0.0.0
Option Code:	A
The Entities Receiving Service Under the Agreement:	EPE and TransAlta
Brief Description of the Service Agreement:	Simultaneous Exchange

WSPP Schedule B

STIMULTANEOUS EXCHANGE CONFIRMATION
BETWEEN
TransAlta Energy Marketing (U.S.) Inc.
And
El Paso Electric Company

TransAlta Energy Marketing (U.S.) Inc. and El Paso Electric Company are parties to WSPP ("the Contract") dated 01-Jul-2001. The Contract contemplates the parties entering into Transactions, reduced to writing in a Transaction Confirmation ("Confirmation"). All provisions contained in the Contract govern this Confirmation except as expressly modified below:

- **Trade Date:** xx-xxx-2021

Part A: Supply at AMRAD345

- **Trade Type**: Firm Power and Contingent Upon the Availability of the Eddy County DC-Tie and Public Service Company of New Mexico (PNM) transmission service from Eddy 230 to Amrad 345
- **Buyer:** El Paso Electric Company
- **Seller:** TransAlta Energy Marketing (U.S.) Inc.
- **Contract Quantity:** up to 67.00 MW
- **Applicable Hours:** 7x24
- **Business Days:** Mon-Sun (HE 0100-2400) PPT
- **Delivery Period:** 15-Jun-2021 to 30-Sep-2021 (the start date will be the later of June 15, 2021 or FERC approval, subject to change if mutually agreed upon by involved parties)
- **Delivery/Receive Point:** AMRAD345
- **Commodity Reference Price:** For deliveries made to the Receive Point, the Buyer will be charged based on the average prices published on www.theice.com, ICE Global markets in clear view, for ICE OTC, North American Power, under the heading ICE Day Ahead Power Price Report Palo Verde Peak for each Peak MWh delivery during the applicable day or Palo Verde Off-Peak for each Off-Peak MWh delivery during the applicable day (the “ICE PALO Price”).

Part B: Supply at PALOVERDE500

- **Trade Type:** Palo Verde Nuclear Generating Station- Unit Contingent Physical Power
- **Buyer:** TransAlta Energy Marketing (U.S.) Inc.
- **Seller:** El Paso Electric Company
- **Contract Quantity:** Contract Quantity will be identical to the Quantity Contract delivered at AMRAD345, up to 67.00 MW
- **Applicable Hours:** 7x24
- **Business Days:** Mon-Sun (HE 0100-2400) PPT
- **Delivery Period:** 15-Jun-2021 to 30-Sep-2021 (the start date will be the later of June 15, 2021 or FERC approval, subject to change if mutually agreed upon by involved parties)
- **Delivery/Receive Point:** PALOVERDE500

- **Commodity Reference Price:** For deliveries made to the Receive Point, the Buyer will be charged

based on the average prices published on www.theice.com, ICE Global markets in clear view, for ICE OTC, North American Power, under the heading ICE Day Ahead Power Price Report Palo Verde Peak for each Peak MWh delivery during the applicable day or Palo Verde Off-Peak for each Off-Peak MWh delivery during the applicable day (the “ICE PALO Price”) plus USD $5.00 per MWh.

Part C: Palo Verde Nuclear Generating Station Forced Outage

- **Forced Outage:** In the event Palo Verde Nuclear Generating Station sustains a Force Outage, Part A of the Schedule B will remain in effect to the Part A Buyer’s choice, and where the Buyer will accept and pay for the entire Contract Quantity delivered under Part A criteria. Part B will be terminated for the duration of the Force Outage.

Part D: In the Event of Contingency of the Eddy County DC-Tie or PNM Transmission from Eddy230 to Amrad345

- **Real-time Market:** Depending on hourly market conditions, Part A Seller may, at its option and upon notification to Part A Buyer, source power from other trading hubs to supply the energy at AMRAD345 using third-party transmission, keeping the Part A and Part B transactions whole.

- **Payment Terms:** 20th Calendar Day - US

- **Renewal**: This transaction will continue from June 1, 2022 through September 30, 2022 and from June 1, 2023 through September 30, 2023, unless TransAlta or EPE opts out.

Tariff Submitter:	El Paso Electric Company
FERC Tariff Program Name:	FERC FPA Electric Tariff
Tariff Title:	Open Access Transmission Tariff
Tariff Record Proposed Effective Date:	June 16, 2021
Tariff Record Title:	OATT, Nonconforming Service Agreements, Service Agreement No. 351, Simultaneous Exchange with SRP, 0.0.0
Option Code:	A
The Entities Receiving Service Under the Agreement:	EPE and SRP
Brief Description of the Service Agreement:	Simultaneous Exchange

April 22, 2021

EPE - SRP Simultaneous Exchange

Leg 1:	WestWing 500 or Kyrene 500
Seller:	El Paso Electric Company (EPE)
Buyer:	Salt River Project (SRP)
Leg 2:	Springerville 345
Seller:	Salt River Project (SRP)
Buyer:	El Paso Electric Company (EPE)
Time Period:	Each month as a separate transaction and mutually agreed to only in the month prior to delivery. June 2021 July 2021 August 2021 September 2021
Quantity:	Mutually agreed upon up to 125 MW
Delivery Points:	Leg 1: WestWing 500 or Kyrene 500, mutually agreed upon on a day-ahead basis Leg 2: Springerville 345
Product:	Shaped Upon Mutual Agreement
Product Firmness:	WSPP Schedule B, UC based on Palo Verde and Springerville Units
Pre-scheduling:	Pre-scheduling will be pursuant to the WECC ISAS daily pre-scheduling calendar and WECC Business Practices.
Pricing:	Exchange only

EL PASO ELECTRIC COMPANY
POWER PURCHASE AND SALE AGREEMENT No. 422

TARIFF SUBMITTER:

El Paso Electric Company

FERC PROGRAM:

FERC FPA Electric Tariff

TARIFF RECORD TITLE:

OATT, Nonconforming Service Agreements, Service Agreement No. 422,
Power Purchase and Sale Agreement, 0.1.0

TARIFF PROPOSED EFFECTIVE DATE:

July 7, 2025

OPTION CODE: A

BRIEF DESCRIPTION OF THE AGREEMENT

Power Purchase and Sale Agreement between EPE and Freeport McMoRan Copper & Gold Energy Services, LLC

POWER PURCHASE AND SALE AGREEMENT
BETWEEN
Freeport McMoRan Copper & Gold Energy Services, LLC
AND
El Paso Electric Company

This POWER PURCHASE AND SALE AGREEMENT ("Agreement") is executed as of _____, 2025 (the "Execution Date"), by and between Freeport McMoRan Copper & Gold Energy Services, LLC, a Delaware limited liability company ("**FMES**"), and EL PASO ELECTRIC COMPANY, a corporation organized and existing under the Laws of the State of Texas ("**EPE**") (collectively referred to as "Parties" and individually referred to as a "**Party**").

WITNESSETH:

WHEREAS, FMES has the capability of delivering energy supply at the Luna 345kV Delivery Point in Luna County, New Mexico;

WHEREAS, EPE has the capability of delivering energy supply at the Greenlee 345kV Delivery Point in Greenlee County, Arizona;

WHEREAS, each Party has obtained from the Federal Energy Regulatory Commission ("FERC") and currently holds authorization to sell energy at market-based rates;

WHEREAS, The Parties desire to exchange energy supplies; with EPE taking delivery at the Luna 345kV Delivery Point and FMES taking delivery at the Greenlee 345kV Delivery Point, or in each instance at such other agreed delivery points; and

WHEREAS, the Parties are willing to perform such energy exchange and provide for the purchase and sale of additional energy as described herein, subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises, covenants, and agreements set forth herein, the Parties do hereby agree with each other, for themselves and their successors and assigns, intending to be legally bound, as follows:

ARTICLE 1

DEFINITIONS AND INTERPRETATIONS

1.1 Definitions. All capitalized terms used herein and not otherwise defined, whether singular or plural, shall have the respective meanings set forth in Schedule A attached hereto and incorporated herein.

1.2 Interpretation. In this Agreement, unless the context otherwise requires, the singular shall include the plural and any pronoun shall include the corresponding masculine, feminine, and neuter forms. The words "hereof," "herein," "hereto," and "hereunder" and words of similar import when used in this Agreement shall, unless otherwise expressly specified, refer to this Agreement as a whole and not to any particular provision of this Agreement. Whenever the term "including" is used herein in connection with a listing of items included within a prior reference, such listing shall be interpreted to be illustrative only, and shall not be interpreted as a limitation on or exclusive listing of the items included within the prior reference. Any reference in this Agreement to "Section," "Article," "Appendix," "Exhibit," or "Schedule" shall be references to this Agreement unless otherwise stated, and all such Appendices, Exhibits, and Schedules shall be incorporated in this Agreement by reference. Unless specified otherwise, a reference to a given agreement or instrument, and all schedules, exhibits, appendices, and attachments thereto, shall be a reference to that agreement or instrument as modified, amended, supplemented, and restated, and in effect from time to time. Unless otherwise stated, any reference in this Agreement to any entity shall include its permitted successors and assigns, and in the case of any Governmental Authority, any entity succeeding to its functions and capacities.

1.3 Construction. In the event of a conflict between the text of this Agreement and any Schedule, Appendix, or Exhibit, the terms of this Agreement shall prevail. Each Party acknowledges that it was active in the negotiation and drafting of this Agreement and that no Law or rule of construction

shall be raised or used in which the provisions of this Agreement shall be construed in favor of or against either Party because one is deemed to be the author thereof.

ARTICLE 2

EFFECTIVE DATE, TERM AND, TERMINATION

2.1 Effective Date. This Agreement shall become effective upon execution by the Parties and obtaining from any Governmental Authorities any necessary approvals, if any.

2.2 Initial and Subsequent Terms. The Initial Term of this Agreement shall commence on the Effective Date. The Initial Term shall terminate at 11:59 p.m. Mountain Standard Time on December 31, 2031. Thereafter, this Agreement shall automatically extend for additional terms of one (1) year each (each a "Subsequent Term"), unless either Party provides written notice of its decision to terminate the Agreement at the end of the existing Initial Term or Subsequent Term. Such written notice of termination shall be provided to the other Party not less than fifteen (15) calendar months prior to the end of the then effective Initial Term or Subsequent Term.

2.3 Termination. This Agreement may be terminated by either Party in accordance with Section 7.2 or Section 8.4. No termination shall become effective until the Parties have complied with all Laws applicable to such termination.

ARTICLE 3

ENERGY EXCHANGE

3.1 FMES' Option to Sell and Deliver Energy at the Luna Energy Delivery Point.

3.1.1 FMES may supply or make available for exchange energy supplies up to 200 MW and shall sell and deliver to EPE (and EPE shall purchase and receive) such energy at the Luna 345kV Delivery Point, or such other point as may be agreed by the Parties. Mutual agreement on both the quantity, not to exceed 200 MW, to be exchanged and any alternative delivery point must be reached on a day-ahead basis.

3.2 EPE's Obligation to Sell and Deliver Energy at the Greenlee 345kV Delivery Point. In

exchange for the energy that FMES delivers to EPE in accordance with Section 3.1, EPE concurrently shall sell and deliver to FMES (and FMES shall purchase and receive) at the Greenlee 345kV Delivery Point, or such other point as may be agreed by the Parties, a quantity of energy identical to the quantity of energy sold and delivered by FMES pursuant to Section 3 .1. Mutual agreement on both the quantity to be exchanged, not to exceed 200 MW, and any alternative delivery point must be reached on a day-ahead basis.

3.3 Obligations in the Event of a Failure to Deliver Energy.

3.3.1 If a Party fails to deliver or receive all or a part of the energy that it is required to deliver or receive under Section 3.1 or Section 3.2, then the other Party shall suspend delivery or receipt of the same amount of energy that the former Party failed to deliver or receive. Except as provided in Sections 3.3.3 and 3.3.4, a Party's exclusive remedy for the other Party's failure to deliver or receive energy under Section 3.1 or Section 3.2 this Agreement shall be the remedy prescribed by this Section 3.3.1.

3.3.2 If a forced or unplanned outage precludes a Party from fulfilling its sale and delivery obligations under Article 3, its delivery obligation shall be excused and it shall provide immediate Notice of such outage or event to the other Party including, to the extent practicable, a description of the nature and estimated duration of such outage, when feasible, shall provide further Notice of the time at which it will be able to resume delivery or receipt.

3.3.3 Except as described in Sections 3.3.2 above and Section 11.1 (Force Majeure), if either Party fails to meet its obligations to either purchase or sell energy pursuant to this Agreement, the Defaulting Party shall be responsible for the costs of securing alternative supply.

3.3.4 In the event a Party fails to meet its intra-hour exchange obligations, the Parties shall balance the exchange amounts in the next hour or the Defaulting Party shall be financially responsible for the replacement energy costs incurred on a limited basis (intra-hour costs,

or until the exchange amounts match again). The parties shall communicate and match exchange amounts for the subsequent hours.

ARTICLE 4

ENERGY PURCHASE AND SALE FEE

4.1 Energy Purchase and Sale Exchange Fee. In consideration for their mutual obligations to sell and deliver electric energy, FMES shall pay to EPE an energy purchase and sale exchange fee of $2.05 per megawatt hour ("MWh") for each MWh of energy delivered by EPE under Section 3.2 up to a maximum of 700,000 MWh per calendar year. FMES shall have no obligation to pay any fee or charge to EPE for energy deliveries by EPE in excess of 700,000 MWh. EPE shall invoice FMES monthly for amounts due under this Section.

4.2 Billing and Payment. Within twenty (20) Days following the end of each month, each Party shall render to the other Party an invoice setting forth all charges and amounts due hereunder. On or before the tenth (10th) Day after the invoice date, or if such tenth (10^{th})) Day is not a Business Day, the immediately following Business Day (the "Due Date"), a Party owing money shall pay the amount due stated on the invoice. Overdue payments shall accrue interest at the Interest Rate from and including the Due Date to, but excluding the date payment is received.

4.3 Payment Disputes and Billing Audits. If a Party disputes amounts shown on the invoice or the methodology for deriving such amounts, such Party shall on or before the Due Date (i) pay to the other Party the greater of the undisputed amount or the amount of the most recent prior month's undisputed invoice, but not in excess of the invoice subject to dispute, and (ii) furnish such other Party a written explanation specifying the amount of and the basis for the dispute. Within ten (10) Business Days of dispute resolution, the Party owing money shall pay the other Party the amount owed and interest thereon at the Interest Rate from the date such amount was originally paid or due through and including the Day immediately preceding the date such amount is paid or refunded to the other Party. Each Party has the right, at its sole expense, during normal working hours, and upon ten (10) Business Days' Notice, to audit books and records of the other Party that relate to

the foregoing information. Such audit rights shall extend for a period of one (1) year beyond the date of the applicable invoice, and no adjustment for any invoice or payment will be made unless objection to the accuracy thereof was made prior to the expiration of such one-year period. The Party subject to the audit will be entitled to review the audit report and supporting materials.

ARTICLE 5

SCHEDULING OF ENERGY

5.1 Scheduling. FMES and EPE shall coordinate and schedule energy for delivery pursuant to Article 3 of this Agreement on a day-ahead basis in accordance with all applicable WECC scheduling practices or the applicable scheduling practices of any successor independent system operator ("ISO") or regional transmission organization ("RTO") or other organization with authority to administer scheduling and use of the applicable transmission system (jointly with ISOs and RTOs, an "Independent Transmission Operator").

ARTICLE 6

INADVERTENT ENERGY

6.1 Inadvertent Energy. The Parties shall exercise reasonable commercial efforts to minimize any difference between the amount of energy provided by FMES pursuant to Section 3.1 and the amount of energy provided by EPE pursuant to Section 3.2. In the event a Party receives more energy than it provides under Section 3.1 or Section 3.2, the Party receiving the energy shall repay such energy in kind at a mutually agreeable time and in a manner that is consistent with all applicable NERC, WECC, and Independent Transmission Operator rules regarding the payback of inadvertent energy. Not later than five (5) Business Days after the last day of each month, the Parties shall communicate with each other to confirm the amount, if any, of energy provided by each Party to the other Party for such month and to establish a schedule for the repayment of any energy imbalance.

6.2 Energy Imbalance Audits. Each Party shall, upon ten (10) Business Days Notice, make available to the other Party books of account and other records relating to this Agreement,

including those that support the amount energy provided to the other and documentation of payment of any energy imbalances pursuant to Section 6.1. Either Party may, at is sole discretion and expense, audit or examine such books and records. Each Party shall furnish the other Party with such summaries or counterparts of such records as may be necessary to satisfy applicable regulatory requirements. Notwithstanding any other provision of this Agreement, any documents concerning energy exchanges or sales pursuant to this Agreement shall be final, and shall not be subject to adjustment for any reason, unless a Party has provided Notice to the other Party that it believes such documents are in error not later than one (1) year from the date of the invoice corresponding to the applicable energy exchange or sale.

6.3 Modification of Energy Imbalance Settlement Practices. In the event that WECC or any successor Independent Transmission Operator should adopt energy imbalance settlement practices that differ materially from the practices described in Section 6.1 including, without limitation, the payment of energy imbalance penalties or fees, the Parties shall, through their duly authorized representatives, convene to discuss and assess in good faith appropriate modifications to Section 6.1 that address and fairly apportion responsibilities for the financial or other settlement of energy imbalances.

ARTICLE 7

REGULATORY APPROVALS

7.1 FERC Approval. In the event that a Party elects or is required to file the Agreement with FERC (for acceptance or for informational purposes), the Parties shall use good faith efforts to agree on the form and substance of the filing; provided that either Party may file the Agreement with FERC five (5) days after providing a draft of the filing to the other Party for its review. An affected Party shall have the rights and remedies prescribed by Section 7.2 if FERC or any other Governmental Authority (i) rejects this Agreement or, as a condition precedent to its acceptance, requires, or in the reasonable estimation of such Party may require, any amendment(s) or modification(s) to this Agreement or other condition(s) to such acceptance that will or may result in a material adverse consequence(s) to such Party, (ii) denies or revokes the market-based rate authority of either Party, and such denial or revocation applies *ab initio* or retroactively to include

this Agreement, or (iii) takes other action that makes performance of this Agreement impossible for such Party or otherwise results in a material adverse effect on such Party.

7.2 Obligation to Meet to Reform Agreement. If any of the events set out in Section 7 .1 occurs; the Parties shall meet within five (5) Business Days of such event and shall use commercially reasonable efforts to reform this Agreement in an agreed manner, or to take other agreed actions which provide each Party with economic or other benefits which are substantially equivalent to those set forth in this Agreement. If such negotiations do not result in an agreed solution within thirty (30) Days (or such longer period as the Parties may agree in writing), then this Agreement shall be terminated without liability to either Party other than for payment of amounts accrued or due through the date of termination.

ARTICLE 8

DEFAULT

8.1 Events of Default. "Event of Default" shall mean the occurrence of any of the following events with respect to a Party (the "Defaulting Party," the other Party being the "Non-Defaulting Party"):

8.1.1 the failure by the Defaulting Party to make, when due, payment of any amount required under this Agreement if such failure is not remedied within five (5) Business Days after written Notice of such failure is given to the Defaulting Party by the Non-Defaulting Party (the "Notice of Default"); provided however, that (i) a Party shall not be in default of its payment obligations under Article 4 if it timely complies with the provisions of Section 4.3, and (ii) neither Party shall be in Default of any other payment obligation under this Agreement if on or before the applicable Due Date it (a) pays the undisputed amount, and (b) furnishes the other Party a written explanation specifying the disputed amount and basis for such dispute;

8.1.2 any representation or warranty of the Defaulting Party pursuant to this Agreement that is false or misleading in any material respect when made or deemed made and was known by the Defaulting Party to have been so at the time made or deemed made unless

(a) the fact, circumstance, or condition that is the subject of such representation or warranty has been remedied by the Defaulting Party such that the representation and warranty is correct within twenty (20) Days after the Notice of Default has been given to the Defaulting Party, and (b) such cure removes any adverse effect on the Non-Defaulting Party of such fact, circumstance, or condition being otherwise than as first represented; and

8.1.3 the failure by the Defaulting Party to perform or observe any material obligation or covenant set forth in this Agreement (other than obligations that are otherwise specifically covered in this Section 8.1 as a separate Event of Default), and such failure is not cured within thirty (30) Days after the Notice of Default is given to the Defaulting Party.

8.2 Cumulative Remedies. All rights, options, and remedies of the Parties contained in this Agreement shall be construed and held to be cumulative, and no one of them shall be exclusive of the other. Unless otherwise limited by the terms of this Agreement, the Parties shall have the right to pursue any and one or all remedies, including but not limited to, (a) the Non-Defaulting Party may terminate this Agreement in accordance with Section 8.4, or (b) the Non-Defaulting Party may exercise any other remedy available at Law or in equity.

8.3 No Waiver in Event of Default. Pursuit by either Party of any remedy to an Event of Default shall not constitute a forfeiture or waiver of any amount due from the Defaulting Party or of any damages occurring by reason of the violation of any terms, provisions, or conditions of this Agreement. No waiver of any Event of Default shall be deemed or construed to constitute a waiver of any other violation or breach of any of the terms, provisions, or conditions of this Agreement. Failure to enforce one or more of the remedies available upon the occurrence of an Event of Default shall not constitute a waiver of that Event of Default or any subsequent Event of Default.

8.4 Early Termination. In the event an Event of Default occurs during the Initial Term or any Subsequent Term, the Non-Defaulting Party may (a) terminate this Agreement by providing Notice to the Defaulting Party establishing a termination date at least one (1) Day after the opportunity to cure the Event of Default has expired without the Defaulting Party having cured the Default.

ARTICLE 9

TITLE, RISK OF LOSS, INDEMNIFICATION, LIMITATION OF LIABILITY, AND MITIGATION OF DAMAGES

9.1 Title, Risk of Loss, and Indemnification. Each party warrants that the energy it will deliver under this Agreement is free and clear of all liens, Claims, and encumbrances arising prior to its respective delivery point specified in Article 3. Title and risk of loss to the energy to be delivered by FMES under this Agreement shall transfer from FMES to EPE at the Luna Delivery Point or such other point as may be agreed by the Parties. Title and risk of loss to the energy to be delivered by EPE under this Agreement shall transfer from EPE to FMES at the Greenlee Delivery Point or such other point as may be agreed by the Parties. Notwithstanding any limitation or exclusion prescribed by Section 9.2 or any other provision of this Agreement, each Party shall indemnify and hold harmless the other Party, its directors, officers, employees, agents, and contractors for, against, and from any and all Claims for personal injury (including mental anguish), death, or damage to the property of any third party(s) arising from or out of (i) the negligence (including strict liability in tort), gross negligence, or willful misconduct of the indemnitor, its Affiliates, or their respective directors, officers, employees, agents, contractors, or (ii) any event, circumstance, act, or incident first occurring or existing during the period when title to the energy is vested in the indemnitor; provided, however, the obligations prescribed by this sentence shall not apply to the proportionate extent such Claims are determined to be attributable to the negligence (including strict liability in tort), gross negligence, or willful misconduct of the indemnitee, its Affiliates, or their respective directors, officers, employees, agents, or contractors.

9.2 Limitation of Remedies, Liability, and Damages. The Parties confirm that the express remedies and measures of damages provided in this Agreement satisfy the essential purposes hereof. For breach of any provision for which an express remedy or measure of damages is prescribed, (i) such express remedy or measure of damages shall be the sole and exclusive remedy, (ii) the obligor's liability shall be limited as set forth in such provision, and (iii) all other remedies or damages at law or in equity are waived. If no remedy or measure of damages is expressly provided herein, the obligor's liability for any breach of this Agreement shall be limited to direct actual damages only, such direct actual damages shall be the sole and exclusive remedy, and all

other remedies or damages at law or in equity are waived. Except for Claims for indemnification for third party Claims under Section 9.1, each to which the provisions of this Section 9.2 shall not apply, neither Party shall be liable to the other Party or its Affiliates for consequential, incidental, punitive, exemplary, or indirect damages, lost profits or other business interruption damages, by statute, in tort or contract, or otherwise. It is the intent of the Parties that the limitations herein imposed on remedies and the measure of damages be without regard to the cause or causes related thereto, including the negligence of any party, whether such negligence be sole, joint or concurrent, or active or passive. To the extent any damages required to be paid hereunder are liquidated, the Parties acknowledge that the damages are difficult or impossible to determine, otherwise obtaining an adequate remedy is inconvenient, and the liquidated damages constitute a reasonable approximation of the harm or loss.

9.3 Duty to Mitigate. Each Party agrees that it has a duty to mitigate damages and covenants that it will use commercially reasonable efforts to minimize any damages it may incur as a result of the other Party's performance or non-performance of this Agreement.

ARTICLE 10

DISCLAIMER OF WARRANTIES

10.1 DISCLAIMERS. EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, EACH PARTY ON BEHALF OF ITSELF, ITS AFFILIATES, AND EACH OF THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, AND CONTRACTORS HEREBY NEGATES AND DISCLAIMS ANY AND ALL EXPRESS, IMPLIED, OR STATUTORY WARRANTIES, WHETHER WRITTEN OR ORAL, WITH RESPECT TO THE ENERGY TO BE DELIVERED UNDER THIS AGREEMENT INCLUDING, WITHOUT LIMITATION, ANY AND ALL WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, CONFORMITY TO MODELS OR SAMPLES, COURSE OF DEALING OR USAGE OF TRADE, OR OTHERWISE.

ARTICLE 11

FORCE MAJEURE

11.1 Force Majeure. If a Party is rendered unable by Force Majeure to carry out, in whole or part, its obligations hereunder and such Party gives Notice and full details of the event to the other Party as soon as practicable after its occurrence, then during the pendency of such Force Majeure, but for no longer period, the obligations of the Claiming Party (other than obligations to make payments then due or becoming due with respect to prior performance) shall be suspended; provided, however, a suspension shall (i) be of no greater scope and of no longer duration than is required by the Force Majeure. The Claiming Party shall provide immediate Notice of such Force Majeure event or circumstance and, if such Notice in made orally, the Claiming Party shall further provide written Notice within two (2) Business Days thereafter. Such Notice(s) to the other Party shall include, to the extent practicable, a description of the nature and estimated duration of such Force Majeure event or circumstance. The Party affected by the Force Majeure shall remedy the Force Majeure with all reasonable dispatch; provided, nothing herein shall require FMES and EPE to exchange energy at points other than the Luna Delivery Point and Greenlee Delivery Point, respectively, in accordance with their respective obligations in Article 3, unless otherwise agreed by the Parties.

ARTICLE 12

TAXES

12.1 Taxes. A Party delivering energy under this Agreement shall pay or cause to be paid all taxes imposed by any Governmental Authority ("Taxes") on or with respect to such energy prior to the applicable delivery point. A Party receiving energy under this Agreement shall pay or cause to be paid all Taxes on or with respect to such energy at and from such delivery point (other than ad valorem, franchise, or income Taxes that are related to the sale of energy and are, therefore, the responsibility of the delivering Party). In the event a Party is required by Law to pay or remit Taxes that are the other Party's responsibility hereunder, the Party responsible for such Taxes shall promptly reimburse the paying or remitting Party for such Taxes. Notwithstanding the provisions

of Article 12 or any other provision of this Agreement, a Party shall not be liable for or obligated to pay any Taxes for which it is exempt under Law.

12.2 Cooperation. Each Party shall use reasonable efforts to implement the provisions of and to administer this Agreement in accordance with the intent of the Parties to minimize all Taxes, so long as neither Party is affected by such efforts.

ARTICLE 13

ANCILLARY FEES

13 .1 Ancillary Service Fees and Charges. As of the Execution Date, neither Party is cognizant of any ancillary service fees or charges applicable in connection with the energy to be delivered under Article 3. Notwithstanding the preceding sentence, each Party shall be solely responsible for payment of any and all ancillary service fees and charges that may be assessed in connection with its obligation to deliver energy to the applicable delivery point referenced in Article 3.

ARTICLE 14

MISCELLANEOUS

14.1 Representations and Warranties. Each Party represents and warrants to the other Party that:

(a) such Party has the full power and authority to execute, deliver, and perform this Agreement and to carry out the obligations contemplated hereby;

(b) the execution and delivery of this Agreement by such Party and the carrying out by such Party of the obligations contemplated hereby have been duly authorized by all requisite corporate (or, if applicable, partnership) action, and this Agreement has been duly executed and delivered by such Party and constitutes the legal, valid, and binding obligation of such Party, enforceable against it in accordance with the terms hereof, subject

as to enforceability of remedies to limitations imposed by bankruptcy, insolvency, reorganization, moratorium or other similar Laws relating to or affecting the enforcement of creditor's rights generally and general principles of equity;

(c) other than the authorization provided for under Section 14. l(f), there is no authorization, consent, approval or order, or notice to or registration, qualification, declaration, or filing with any Governmental Authority, is required as of the Execution Date for the execution, delivery, and performance by such Party of this Agreement or the carrying out by such Party of the obligations contemplated hereby, other than regulatory and similar approvals needed pursuant to Article 7;

(d) none of the execution, delivery, and performance by such Party of this Agreement, the compliance with the terms and provisions hereof, and the carrying out of the obligations contemplated hereby, conflicts or shall conflict with or result in a breach or violation of any of the terms, conditions, or provisions of any Law in effect as of the Execution Date or the charter document (or partnership agreement, if applicable), as amended or by-laws, as amended, of such Party or any applicable order, writ, injunction, judgment, or decree of any Governmental Authority against such Party or by which it or any of its properties is bound, or any loan agreement, indenture, mortgage, bond, note, resolution, contract or other agreement, or instrument to which such Party is a party or by which it or any of its property is bound, or constitutes or shall constitute a Default thereunder or shall result in the imposition of any lien upon any of its property;

(e) there are no legal or arbitral proceedings, or any proceedings by or before any Governmental Authority, now pending or (to the knowledge of such Party) threatened against such Party or any of its subsidiaries that if adversely determined, could reasonably be expected to have a material adverse effect on such Party's ability to perform its obligations under this Agreement, and

(f) each Party currently holds and will exercise reasonable diligence to continue to maintain throughout the term of this Agreement, authorization from FERC to perform its obligations

under this Agreement, including authorization to sell capacity and energy at market-based rates.

14.2 Governing Law. The validity, interpretation, and performance of this Agreement and each of its provisions shall be governed by the laws of the State of Texas, excluding its conflicts of law rules.

14.3 Relationship of the Parties. Nothing in this Agreement shall be deemed to constitute either Party a partner, agent, or legal representative of the other Party or to create any fiduciary relationship between the Parties.

14.4 Not for Benefit of Third-Parties. Except as otherwise expressly provided herein, this Agreement and each and every provision thereof is for the exclusive benefit of the Parties hereto and is not for the benefit of or enforceable by any third-party.

14.5 Notice. Except as otherwise provided in this Agreement, all Notices under this Agreement shall be in writing and be effective upon delivery if delivered by (i) hand, or (ii) certified or registered United States Mail postage prepaid, to the addresses listed below. A courtesy copy of the Notice should be sent to the following email addresses prior to the hand or mail delivery.

(i) if Notice is to FMES:

Freeport-McMoRan Copper & Gold Energy Services, LLC
Attention: Mark Hanson
333 N. Central Ave.
Phoenix, Arizona 85004
Email: mhanson2@fmi.com
Cc: Energy_Services@fmi.com

(ii) if Notice is to EPE:

El Paso Electric Company
Attention Resource Management-
100 N Stanton
El Paso, Texas 79901
Email: victor.martinez@epelectric.com (Victor Martinez)
; and

If the Notice is sent for the purpose described in Article 8, Section 2.2, Section 11.1 or this Section 14.5, with a copy to:

El Paso Electric Company
Office of the General Counsel
100 N Stanton
El Paso, Texas 79901
Email: victor.martinez@epelectric.com (Victor Martinez)
.

Each party may change its address for purposes of Notice under this Agreement by Notice complying with this Section 14.5.

14.6 Waiver. The failure of either Party to insist upon strict performance of any of the terms and conditions of this Agreement, or to exercise or delay the exercise of any rights or remedies provided by this Agreement or by Law, or the acceptance of all or part of the energy delivered under this Agreement shall not release the other Party from any of the responsibilities or obligations imposed by Law or by this Agreement and shall not be deemed a waiver of any right of the other Party to insist upon strict performance of this Agreement.

14.7 Cooperation. FMES and EPE shall each assist the other in fulfilling and discharging the responsibilities assumed under this Agreement. This general undertaking of mutual assistance shall not be deemed to replace or modify in any respect the specific responsibilities and obligations of FMES and EPE as described in this Agreement.

14.8 Amendments. This Agreement may be amended only by a written instrument duly executed by each of the Parties.

14.9 Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon any respective successors and assigns (as may be permitted by Section 14.10) of the Parties.

14.10 Assignment. Except as provided in this Section 14.10, this Agreement shall not be assigned by either Party without the prior written consent of the other Party hereto, which consent shall not be unreasonably withheld or delayed. No consent shall be required in connection with the assignment or transfer to any financing institution or investor (and their collateral assignees), in each instance solely as security for loans. Further, no consent shall be required in connection with the assignment or transfer of this Agreement (i) between FMES and any commonly controlled subsidiary or Affiliate of FMES, or (ii) between EPE and any commonly controlled subsidiary or Affiliate of EPE, so long as (a) such assignment or transfer is consistent with applicable Law, (b) the assignment or transfer is of all rights and obligations under the Agreement, and (c) the assignee or transferee has the same or better creditworthiness as the assigning Party in the reasonable opinion of the non-assigning Party. Any assignee or transferee of the rights of any Party shall agree in writing to be bound by and subject to all the provisions and conditions of this Agreement to the same extent as though such assignee or transferee were the original Party under this Agreement. The assignment or transfer of any rights under this Agreement shall be effective when the assignee or transferee agrees in writing to assume all of the obligations of the assignor or transferor and to be bound by all of the provisions and conditions of this Agreement. Any assignment which does not comply with the provisions of this Section 14.10 shall be null and void. Each Party agrees to execute any consent to assignment and such other documents in connection with any assignment to lenders (or its assignee) as such lenders may request; provided, however, that neither Party shall be obligated to consent to any assignment or other related documentation that materially increases its obligations hereunder or materially decreases its rights and benefits hereunder.

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

14.12 Further Assurances. From time to time during the term of this Agreement, FMES and EPE shall execute such instruments and other documents, upon the request of the other Party, as may be necessary or appropriate to carry out the intent of this Agreement.

14.13 Designation of Contacts. EPE shall designate in writing to FMES, from time to time, the person or persons to be contacted at EPE concerning the implementation of this Agreement. FMES shall designate in writing to EPE, from time to time, the person or persons representing FMES to be contacted concerning the implementation of this Agreement.

14.14 Severability. Any prov1s10n declared or rendered unlawful by any Governmental Authority or deemed unlawful because of a change in Law will not, to the extent reasonable and practicable, affect the remaining lawful obligations under this Agreement, and the Parties shall use reasonable efforts to reform this Agreement in order to give effect to the original intent of the Parties.

14.15 Headings Not to Affect Meaning. The descriptive headings of the various Articles and Sections of this Agreement have been inserted for convenience of reference only and shall in no way modify or restrict any of the terms or provisions hereof.

14.16 Integration. This Agreement prevails over prior communications between the Parties or their representatives concerning these matters. This Agreement is integrated and contains the entire agreement between the Parties, and no representations, warranties, or promises have been made or relied on by any Party other than those set forth in this Agreement.

14.17 Standard of Review. The Parties agree that the Agreement does not contain a rate change or substitution provision. Absent the agreement of all Parties to any proposed change, the Parties agree that the standard of review for changes to any provision of this Agreement specifying the rate(s) or other material economic terms and conditions agreed to by the Parties herein, whether

proposed by a Party, a non-Party, or FERC acting sua sponte, shall be the "public interest" standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956) (the "Mobile-Sierra" doctrine).

14.18 Survival. The provisions of Articles 1, 4, 9, 10, 12, 13, and 14 and Sections 6.2, 8.2, and 8.3 shall survive the termination of this Agreement.

The Parties have executed and delivered this POWER PURCHASE AND SALE AGREEMENT on the Execution Date, in multiple counterparts to be construed as one contract, intending to be legally bound as of the Execution Date and effective as of the Effective Date.

Freeport McMoRan Copper & Gold Energy Services, LLC

By: _____

Name: Mark Hanson

Title: Vice President

Date: 05/20/25

El Paso Electric Company DH JR VM

By: _____

Name: David Rodriguez

Title: VP - Energy Supply & Dist. Ops

Date: 6/4/2025

By: _____

Name: Kelly Tomblin

Title: President & CEO

Date: 6/4/2025

APPROVED AS TO FORM
OFFICE OF THE GENERAL COUNSEL

SCHEDULE A

DEFINITIONS

"Affiliate" - shall mean, for any specified entity, any other entity directly or indirectly controlling or controlled by or under direct or indirect common control with such specified entity. For purposes of this definition, "control" when used with respect to any entity shall mean the power to direct the management and policies of such entity, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Business Day" - shall mean any Day other than (i) Saturday, (ii) Sunday, (iii) any Day that is a legal holiday, or (iv) a Day on which banking institutions in New York City, New York are authorized by Law or other governmental action to close.

"Claim" or "Claims" - shall mean any and all claims, demands, and actions arising from, in connection with, or in any way related to this Agreement (including the performance or non-performance thereof) and any and all resulting losses, damages, costs, expenses (including reasonable attorneys' fees), whether incurred by settlement, judgment, decree, or otherwise, and whether such claims, demands, or actions are threatened, asserted, or filed prior or subsequent to the termination of this Agreement.

"Claiming Party" - shall have the meaning given to it in the definition of Force Majeure.

"Day" - shall mean a twenty-four (24) hour period, commencing at one (1) minute prior to 12:01 a.m. (Mountain Standard Time) of each calendar day and ending at one (1) minute after 11 :59 p.m. (Mountain Standard Time) of such calendar day.

"Defaulting Party" - shall have the meaning set forth in Section 8.1.

"Due Date" - shall have the meaning set forth in Section 4.2.

"Effective Date" - shall have the meaning set forth in Section 2.1.

"EIM" – shall pertain to Energy Imbalance Market which uses advanced market systems to automatically find the lowest-cost energy to serve real-time energy demand.

"Event of Default" or "Default" - shall have the meaning set forth in Section 8.1.

"Execution Date" - shall mean the date on which the Parties executed this Agreement, which also appears on page one of the Agreement.

"FERC" - means the Federal Energy Regulatory Commission.

"Force Majeure" - shall mean an event not anticipated as of the Effective Date, which is not within the reasonable control of the Party (or in the case of third party obligations or facilities, the

third party) claiming suspension (the "Claiming Party"), which is not the result of negligence of the Claiming Party, and which by the exercise of due diligence the Claiming Party, or such third party, is unable to prevent, overcome, or obtain or cause to be obtained a commercially reasonable substitute therefor. Force Majeure may include, but is not restricted to: acts of God; fire; civil disturbance; labor dispute; labor or material shortage (unless caused by the Claiming Party's failure to exercise reasonable diligence to secure such materials); sabotage; action or restraint by court order or public or Governmental Authority (so long as the Claiming Party has not applied for or assisted in the application for, and has opposed where and to the extent reasonable, such government action); provided, that the following shall not constitute Force Majeure: (i) the loss of a Party's markets or a Party's inability economically to use or resell the energy purchased, sold, or exchanged hereunder; or (ii) a Party's ability to sell energy to a market at a more advantageous price. Notwithstanding anything herein to the contrary, nothing in this Agreement shall obligate either Party to settle any strike or other labor dispute.

"Governmental Authority" - shall mean any federal, state, or local governmental or regulatory authority, administrative agency, commission, department, board, or court that has jurisdiction over either of the Parties to the Agreement, the Luna Delivery Point, the Greenlee Delivery Point, or the subject matter of the Agreement.

"Greenlee Delivery Point" (also known as the "Phil Young substation") - means that certain 345 kilovolt ("kV") substation located in Greenlee County, Arizona.

"Initial Term" - shall have the meaning set forth in Section 2.2.

"Interest Rate" - shall mean the rate per annum equal to the lesser of (i) the highest interest rate allowed by Law, or (ii) two percent (2%) plus the prime rate, as stated in the *Wall Street Journal* on the date payment is due.

"kV" - means kilovolt.

"Law" - shall mean any applicable constitutional provision, statute, act, code, or law (including, but not limited to, any environmental law, regulation, rule, ordinance, order, decree, ruling, proclamation, resolution, judgment, decision, declaration, or interpretive or advisory opinion or letter) of a Governmental Authority.

"Luna Delivery Point" - means that certain 345 kilovolt ("kV") substation located approximately 1.5 miles north of Deming, New Mexico.

"MW" - means megawatt.

"MWh" - means megawatt hour.

"NERC" - means the North American Electric Reliability Council, and any successor Organization.

"Non-Defaulting Party" - shall have the meaning set forth in Section 8.1.

"Notice" - shall mean any notice, request, consent or other communication provided by one Party to the other Party in accordance with Section 14.5.

"Notice of Default" - shall have the meaning set forth in Section 8.1.1.

"Subsequent Term" - shall have the meaning set forth in Section 2.2.

"Taxes" - means all federal, state, and local taxes, fees, governmental charges, and assessments, presently or hereafter imposed on the energy exchanged hereunder, but excluding taxes imposed on net income.

"WECC" - means the Western Electricity Coordinating Council, a regional organization within NERC.

Tariff Submitter:	El Paso Electric Company
FERC Tariff Program Name:	FERC FPA Electric Tariff
Tariff Title:	Open Access Transmission Tariff
Tariff Record Proposed Effective Date:	January 28, 2025
Tariff Record Title:	OATT, Nonconforming Service Agreements, Service Agreement No. 419, LGIA with Santa Teresa Solar, LLC, 0.0.0
Option Code:	A
The Entity Receiving Service Under the Agreement:	El Paso Electric Company
Brief Description of the Service Agreement:	Nonconforming LGIA

Docusign Envelope ID: 6F1CD6FA-D81C-4AA4-83DF-E2C173ECB0E5

Standard Large Generator Interconnection Agreement

AMENDED AND RESTATED STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT

THIS AMENDED and RESTATED STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT ("Agreement" or "LGIA") is made and entered into this 23rd day of January 2025, by and between Santa Teresa Solar, LLC, a limited liability company organized and existing under the laws of the State/Commonwealth of Delaware ("Interconnection Customer" with a Large Generating Facility), and El Paso Electric Company, a corporation organized and existing under the laws of the State/Commonwealth of Texas ("Transmission Provider and/or Transmission Owner"). Interconnection Customer and Transmission Provider each may be referred to as a "Party" or collectively as the "Parties." This LGIA supersedes (as of the effective date of the LGIA) the two LGIAs filed and accepted by FERC under FERC Docket No. ER23-457-000 and ER23-458-000

Recitals

WHEREAS, Transmission Provider operates the Transmission System;

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the two Generating Facilities (VE100S and VE50S) identified as Large Generating Facilities in Appendix C to this Agreement[1];

WHEREAS, Interconnection Customer and Transmission Provider have agreed to enter into this Agreement for the purpose of interconnecting the two Large Generating Facilities (VE100S and VE50S) with the Transmission System;

WHEREAS, Hecate Energy Santa Teresa LLC ("Hecate") and Hecate Energy Santa Teresa 2 LLC ("Hecate 2"), each having originally executed separate Large Generator Interconnection Agreements for Generating Facilities VE100S and VE50S respectively, were subject to an acquisition and subsequent corporate restructuring, resulting in the merger of Hecate 2 into Hecate, with Hecate thereafter being renamed Santa Teresa Solar, LLC;

WHEREAS, On September 9, 2024, Interconnection Customer submitted Material Modification Assessment requests to add a 100 MW Battery Energy Storage System ("BESS") to Generating Facility VE100S and a 50 MW BESS to VE50S, which Transmission Provider approved on October 1, 2024, confirming that the modifications

[1] As specified in Article 1 (Definitions), for the purpose of this Agreement, unless specifically stated otherwise, the term "Generating Facility" shall refer to two Generating Facilities (VE100S and VE50S).

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proposed do not constitute a material modification;

WHEREAS, Interconnection Customer plans to share the use of the Interconnection Customer Interconnection Facilities, Transmission Provider Interconnection Facilitates and the Point of Interconnection among the two Generating Facilities (VE100S and VE50S) developed by the Interconnection Customer;

WHEREAS, Interconnection Customer will be responsible for the two Large Generating Facilities (VE100S and VE50S), for purposes of this Agreement;

WHEREAS, the Transmission Provider will issue operating instructions and provide notices and other communications to the two Large Generating Facilities (VE100s and VE50S) through a single point of contact, as identified in Appendix F;

WHEREAS, the two Large Generating Facilities (VE100S and VE50S) identify the same upgrades and facilities to be constructed as necessary for the interconnection under this Agreement;

WHEREAS, any costs and reimbursements provided for under this Agreement will be assessed or paid only once to or by the Interconnection Customer on behalf of the two Large Generating Facilities identified in this Agreement; and

WHEREAS, this LGIA is being amended to 1) incorporate Generating Facility VE50S's Interconnection Service with Generating Facility VE100S's Interconnection Service under this LGIA, 2) reflect the changes associated with the updated ownership structure of Interconnection Customer, 3) add the BESS, and 2) revise the milestone dates in Exhibit B.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

When used in this Standard Large Generator Interconnection Agreement, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used or the Open Access Transmission Tariff (Tariff).

Article 1. Definitions

Adverse System Impact shall mean the negative effects due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.

Affected System shall mean an electric system other than the Transmission

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Provider's Transmission System that may be affected by the proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

Affiliate shall mean, with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

Ancillary Services shall mean those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Council shall mean the reliability council applicable to the Transmission System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Transmission System to which the Generating Facility is directly interconnected.

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies by the Transmission Provider or Interconnection Customer.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the Standard Large Generator Interconnection Agreement.

Breaching Party shall mean a Party that is in Breach of the Standard Large Generator Interconnection Agreement.

Business Day shall mean Monday through Friday, excluding Federal Holidays.

Calendar Day shall mean any day including Saturday, Sunday or a Federal Holiday.

Clustering shall mean the process whereby a group of Interconnection Requests is

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studied together, instead of serially, for the purpose of conducting the Interconnection System Impact Study.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Standard Large Generator Interconnection Agreement.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Control Area shall mean an electrical system or systems bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the interconnection. A Control Area must be certified by the Applicable Reliability Council.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Standard Large Generator Interconnection Agreement.

Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution System shall mean the Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

Distribution Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which the Standard Large Generator

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Interconnection Agreement becomes effective upon execution by the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of a Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Transmission Provider's Transmission System, Transmission Provider's Interconnection Facilities or the electric systems of others to which the Transmission Provider's Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by the Standard Large Generator Interconnection Agreement to possess black start capability.

Energy Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to connect its Generating Facility to the Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or nonfirm capacity of the Transmission Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

Engineering & Procurement (E&P) Agreement shall mean an agreement that authorizes the Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a et seq.

FERC shall mean the Federal Energy Regulatory Commission (Commission) or its successor.

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional

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wrongdoing by the Party claiming Force Majeure.

Generating Facility shall mean Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities. For the purpose of this Agreement, unless specifically stated otherwise, the term "Generating Facility" shall refer to two Generating Facilities (VE100S and VE50S).

Generating Facility Capacity shall mean the net capacity of the two Generating Facilities (VE100S and VE50S) and the aggregate net capacity of the Generating Facilities where they include multiple energy production devices.

Good Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer, Transmission Provider, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

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In-Service Date shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Transmission Provider's Interconnection Facilities to obtain back feed power.

Interconnection Customer shall mean any entity, including the Transmission Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the Transmission Provider's Transmission System. Where the Interconnection Customer and the Transmission Provider are the same entity, application of the following provisions set forth herein is not required: provisions governing the posting of security (in Articles 5 and 11), provisions governing taxes and reimbursements for tax liability (in Article 5), provisions governing indemnity, consequential damages and insurance (in Article 18), and provisions governing billing and payment (in Articles 12 and 15) (invoices are not required, but may be generated and tendered for administrative use to aid in the identification and accounting of costs).

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the Standard Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System.

Interconnection Facilities shall mean the Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System.

Interconnection Facilities shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Study shall mean a study conducted by the Transmission Provider or a third party consultant for the Interconnection Customer to determine a list of facilities (including Transmission Provider's Interconnection Facilities and Network Upgrades as identified in the Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Transmission Provider's Transmission System. The scope of the study is defined in Section 8 of the Standard Large Generator Interconnection Procedures.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 3 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Facilities Study.

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Interconnection Feasibility Study shall mean a preliminary evaluation of the system impact and cost of interconnecting the Generating Facility to the Transmission Provider's Transmission System, the scope of which is described in Section 6 of the Standard Large Generator Interconnection Procedures.

Interconnection Feasibility Study Agreement shall mean the form of agreement contained in Appendix 2 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Feasibility Study.

Interconnection Request shall mean an Interconnection Customer's requests, in the form of Appendix 1 to the Standard Large Generator Interconnection Procedures, in accordance with the Tariff, to interconnect the two new Generating Facilities (VE100S and VE50S), or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider's Transmission System.

Interconnection Service shall mean the service provided by the Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Transmission Provider's Transmission System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Standard Large Generator Interconnection Agreement and, if applicable, the Transmission Provider's Tariff.

Interconnection Study shall mean any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study described in the Standard Large Generator Interconnection Procedures.

Interconnection System Impact Study shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of Transmission Provider's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in the Interconnection Feasibility Study, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Standard Large Generator Interconnection Procedures.

Interconnection System Impact Study Agreement shall mean the form of agreement contained in Appendix 3 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection System Impact Study.

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IRS shall mean the Internal Revenue Service.

Joint Operating Committee shall be a group made up of representatives from Interconnection Customers and the Transmission Provider to coordinate operating and technical considerations of Interconnection Service.

Large Generating Facility shall mean a Generating Facility having a Generating Facility Capacity of more than 20 MW.

Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or nonperformance of its obligations under the Standard Large Generator Interconnection Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnifying Party.

Material Modification shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Standard Large Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

NERC shall mean the North American Electric Reliability Council or its successor organization.

Network Resource shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Network Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission Provider's Transmission System (1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the

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Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Facilities connect to the Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Standard Large Generator Interconnection Agreement or its performance.

Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 5 of the Standard Large Generator Interconnection Procedures for conducting the Optional Interconnection Study.

Party or **Parties** shall mean Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Customer's Interconnection Facilities connect to the Transmission Provider's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Facilities connect to the Transmission Provider's Transmission System.

Provisional Interconnection Service shall mean Interconnection Service provided by Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to Transmission Provider's Transmission System and enabling that Transmission System to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

Provisional Large Generator Interconnection Agreement shall mean the interconnection agreement for Provisional Interconnection Service established between Transmission Provider and/or the Transmission Owner and the Interconnection Customer. This agreement shall take the form of the Large Generator Interconnection Agreement, modified for provisional purposes.

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Queue Position shall mean the order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by the Transmission Provider.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Standard Large Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Scoping Meeting shall mean the meeting between representatives of the Interconnection Customer and Transmission Provider conducted for the purpose of discussing alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection.

Site Control shall mean documentation reasonably demonstrating: (1) ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Generating Facility; (2) an option to purchase or acquire a leasehold site for such purpose; or (3) an exclusivity or other business relationship between Interconnection Customer and the entity having the right to sell, lease or grant Interconnection Customer the right to possess or occupy a site for such purpose.

Small Generating Facility shall mean a Generating Facility that has a Generating Facility Capacity of no more than 20 MW.

Stand Alone Network Upgrades shall mean Network Upgrades that are not part of an Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Large Generator Interconnection Agreement. If the Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, the Transmission Provider must provide the Interconnection Customer a written technical explanation outlining why the Transmission Provider does not consider the Network Upgrade to be a Stand Alone Network Upgrade within 15 days of its determination.

Standard Large Generator Interconnection Agreement (LGIA) shall mean the form of interconnection agreement applicable to the Interconnection Customer's Large Generating Facilities that is presented here in the form entered into between the Parties. The LGIA contains non-conforming provisions not included in the form of agreement in

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Transmission Provider's Tariff.

Standard Large Generator Interconnection Procedures (LGIP) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that are included in the Transmission Provider's Tariff.

Surplus Interconnection Service shall mean any unneeded portion of Interconnection Service established in a Large Generator Interconnection Agreement, such that if Surplus Interconnection Service is utilized the total amount of Interconnection Service at the Point of Interconnection would remain the same.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Transmission Provider's Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Transmission Provider's Transmission System or on other delivery systems or other generating systems to which the Transmission Provider's Transmission System is directly connected.

Tariff shall mean the Transmission Provider's Tariff through which open access transmission service and Interconnection Service are offered, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

Transmission Owner shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Standard Large Generator Interconnection Agreement to the extent necessary.

Transmission Provider shall mean the public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

Transmission Provider's Interconnection Facilities shall mean all facilities and equipment owned, controlled or operated by the Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Standard Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

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Transmission System shall mean the facilities owned, controlled or operated by the Transmission Provider or Transmission Owner that are used to provide transmission service under the Tariff.

Trial Operation shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

Variable Energy Resource shall mean a device for the production of electricity that is characterized by an energy source that: (1) is renewable; (2) cannot be stored by the facility owner or operator; and (3) has variability that is beyond the control of the facility owner or operator.

Article 2. Effective Date, Term, and Termination

2.1 Effective Date. This LGIA shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC. Transmission Provider shall promptly file this LGIA with FERC upon execution in accordance with Article 3.1, if required.

2.2 Term of Agreement. Subject to the provisions of Article 2.3, this LGIA shall remain in effect for a period of ten (10) years from the Effective Date or such other longer period as Interconnection Customer may request (Term to be specified in individual agreements) and shall be automatically renewed for each successive one-year period thereafter.

2.3 Termination Procedures.

2.3.1 Written Notice. This LGIA may be terminated by Interconnection Customer after giving Transmission Provider ninety (90) Calendar Days advance written notice, or by Transmission Provider notifying FERC after the Generating Facility permanently ceases Commercial Operation.

2.3.2 Default. Either Party may terminate this LGIA in accordance with Article 17.

2.3.3. Notwithstanding Articles 2.3.1 and 2.3.2, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this LGIA, which notice has been accepted for filing by FERC.

2.4 Termination Costs. If a Party elects to terminate this Agreement pursuant to

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Article 2.3 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party, as of the date of the other Party's receipt of such notice of termination, that are the responsibility of the Terminating Party under this LGIA. In the event of termination by a Party, the Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this LGIA, unless otherwise ordered or approved by FERC:

2.4.1 With respect to any portion of Transmission Provider's Interconnection Facilities that have not yet been constructed or installed, Transmission Provider shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Transmission Provider shall deliver such material and equipment, and, if necessary, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Transmission Provider for any or all such costs of materials or equipment not taken by Interconnection Customer, Transmission Provider shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by Transmission Provider to cancel any pending orders of or return such materials, equipment, or contracts.

If an Interconnection Customer terminates this LGIA, it shall be responsible for all costs incurred in association with that Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any Network Upgrades for which Transmission Provider has incurred expenses and has not been reimbursed by Interconnection Customer.

2.4.2 Transmission Provider may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Transmission Provider shall be responsible for all costs associated with procuring such materials, equipment, or facilities.

2.4.3 With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this

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LGIA, Interconnection Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

2.5 Disconnection. Upon termination of this LGIA, the Parties will take all appropriate steps to disconnect the Large Generating Facility from the Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this LGIA or such non-terminating Party otherwise is responsible for these costs under this LGIA.

2.6 Survival. This LGIA shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this LGIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this LGIA was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this LGIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

Article 3. Regulatory Filings

3.1 Filing. Transmission Provider shall file this LGIA (and any amendment hereto) with the appropriate Governmental Authority, if required. Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 22. If Interconnection Customer has executed this LGIA, or any amendment thereto, Interconnection Customer shall reasonably cooperate with Transmission Provider with respect to such filing and to provide any information reasonably requested by Transmission Provider needed to comply with applicable regulatory requirements.

Article 4. Scope of Service

4.1 Interconnection Product Options. Interconnection Customer has selected the following (checked) type of Interconnection Service:

4.1.1 Energy Resource Interconnection Service

4.1.1.1 The Product. Energy Resource Interconnection Service allows Interconnection Customer to connect the Large Generating Facility to the Transmission System and be eligible to deliver the Large Generating Facility's output using the existing firm or non-firm capacity of the

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Transmission System on an "as available" basis. To the extent Interconnection Customer wants to receive Energy Resource Interconnection Service, Transmission Provider shall construct facilities identified in Attachment A.

4.1.1.2 Transmission Delivery Service Implications. Under Energy Resource Interconnection Service, Interconnection Customer will be eligible to inject power from the Large Generating Facility into and deliver power across the interconnecting Transmission Provider's Transmission System on an "as available" basis up to the amount of MWs identified in the applicable stability and steady state studies to the extent the upgrades initially required to qualify for Energy Resource Interconnection Service have been constructed. Where eligible to do so (e.g., PJM, ISONE, NYISO), Interconnection Customer may place a bid to sell into the market up to the maximum identified Large Generating Facility output, subject to any conditions specified in the interconnection service approval, and the Large Generating Facility will be dispatched to the extent Interconnection Customer's bid clears. In all other instances, no transmission delivery service from the Large Generating Facility is assured, but Interconnection Customer may obtain Point-to-Point Transmission Service, Network Integration Transmission Service, or be used for secondary network transmission service, pursuant to Transmission Provider's Tariff, up to the
state
Interconnection
inject energy
beyond the Large Generating Facility Point of Interconnection or to improve its ability to do so, transmission delivery service must be obtained pursuant to the provisions of Transmission Provider's Tariff. The Interconnection Customer's ability to inject its Large Generating Facility output beyond the Point of Interconnection, therefore, will depend on the existing capacity of Transmission Provider's Transmission System at
would accommodate such delivery. The provision of firm Point-to-Point Transmission Service or Network Integration
construction of
additional Network Upgrades.

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4.1.2 Network Resource Interconnection Service. (Selected)

4.1.2.1 **The Product**. Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility (1) in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an ISO or RTO with market based congestion management, in the same manner as all Network Resources. To the extent Interconnection Customer wants to receive Network Resource Interconnection Service, Transmission Provider shall construct the facilities identified in Attachment A to this LGIA.

4.1.2.2 **Transmission Delivery Service Implications**. Network Resource Interconnection Service allows Interconnection Customer's Large Generating Facility to be designated by any Network Customer under the Tariff on Transmission Provider's Transmission System as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a Interconnection Service does not convey a reservation of transmission service, any Network Customer under the Tariff obtain Interconnection Customer's Large Generating Facility in the same manner as Facility Service may also be used to provide Ancillary Services after technical studies and/or periodic analyses are performed with respect to applicable Ancillary Services, provided that such studies and with existing Customer's Large Generating Facility has not been designated as a Network Resource by any load, it cannot be required to provide Ancillary Services except to the extent

such requirements extend to all generating facilities that are similarly situated. The provision of Network Integration

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Transmission Service or firm Point-to-Point Transmission Service may require additional studies and the construction of additional upgrades. Because such studies and upgrades would be associated with a request for delivery service under the Tariff, cost responsibility for the studies and upgrades would be in accordance with FERC's policy for pricing transmission delivery services. Network Resource Interconnection Service does not necessarily provide Interconnection Customer with the capability to physically deliver the output of its Large Generating Facility to any particular load on Transmission Provider's Transmission System without incurring congestion costs. In the event of transmission constraints on Transmission Provider's Transmission System, Interconnection Customer's Large Generating Facility shall be subject to the applicable congestion management procedures in Transmission Provider's Transmission System in the same manner as Network Resources.

There is no requirement either at the time of study or interconnection, or at any point in the future, that Interconnection Customer's Large Generating Facility be designated as a Network Resource by a Network Service Customer under the Tariff or that Interconnection Customer identify a specific buyer (or sink). To the extent a Network Customer does designate the Large Generating Facility as a Network Resource, it must do so pursuant to Transmission Provider's Tariff.

Once an Interconnection Customer satisfies the requirements for obtaining Network Resource Interconnection Service, any
Large Generating Facility within Transmission Provider's Transmission System of any amount of capacity and/or energy, up to the amount initially studied, will not require that
upgrades associated with such Large Generating Facility be undertaken, regardless of whether or not such Large Generating Facility is ever designated by a Network Customer as a Network Resource and regardless of changes in ownership of the Large Generating Facility. However, the reduction or elimination of congestion or redispatch costs may require additional studies and the construction of

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additional upgrades.

To the extent Interconnection Customer enters into an arrangement for long term transmission service for deliveries from the Large Generating Facility outside Transmission Provider's Transmission System, such request may require additional studies and upgrades in order for Transmission Provider to grant such request.

4.2 Provision of Service. Transmission Provider shall provide Interconnection Service for the Large Generating Facility at the Point of Interconnection.

4.3 Performance Standards. Each Party shall perform all of its obligations under this LGIA in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this LGIA for its compliance therewith. If such Party is a Transmission Provider or Transmission Owner, then that Party shall amend the LGIA and submit the amendment to FERC for approval.

4.4 No Transmission Delivery Service. The execution of this LGIA does not constitute a request for, nor the provision of, any transmission delivery service under Transmission Provider's Tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.

4.5 Interconnection Customer Provided Services. The services provided by Interconnection Customer under this LGIA are set forth in Article 9.6 and Article 13.5.1. Interconnection Customer shall be paid for such services in accordance with Article 11.6.

Article 5. Interconnection Facilities Engineering, Procurement, and Construction

5.1 Options. Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either Standard Option or Alternate Option set forth below, and such dates and selected option shall be set forth in Appendix B, Milestones. At the same time, Interconnection Customer shall indicate whether it elects to exercise the Option to Build set forth in Article 5.1.3 below. If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days. Upon receipt of the notification that Interconnection Customer's designated dates are not acceptable to Transmission

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Provider, the Interconnection Customer shall notify Transmission Provider within thirty (30) Calendar Days whether it elects to exercise the Option to Build if it has not already elected to exercise the Option to Build.

5.1.1 Standard Option. Transmission Provider shall design, procure, and construct Transmission Provider's Interconnection Facilities and Network Upgrades, using Reasonable Efforts to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the dates set forth in Appendix B, Milestones. Transmission Provider shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event Transmission Provider reasonably expects that it will not be able to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the specified dates, Transmission Provider shall promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

5.1.2 Alternate Option. If the dates designated by Interconnection Customer are acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities by the designated dates.

If Transmission Provider subsequently fails to complete Transmission Provider's Interconnection Facilities by the In-Service Date, to the extent necessary to provide back feed power; or fails to complete Network Upgrades by the Initial Synchronization Date to the extent necessary to allow for Trial Operation at full power output, unless other arrangements are made by the Parties for such Trial Operation; or fails to complete the Network Upgrades by the Commercial Operation Date, as such dates are reflected in Appendix B, Milestones; Transmission Provider shall pay Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by Interconnection Customer shall be extended day for day for each day that the applicable RTO or ISO refuses to grant clearances to install equipment.

5.1.3 Option to Build. Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades on the dates specified in Article 5.1.2. Transmission Provider and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in

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Appendix A. Except for Stand Alone Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option.

5.1.4 Negotiated Option. If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, the Parties shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates and liquidated damages, the provision of incentives, or the procurement and construction of all facilities other than Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades if the Interconnection Customer elects to exercise the Option to Build under Article 5.1.3). If the Parties are unable to reach agreement on such terms and conditions, then, pursuant to article 5.1.1 (Standard Option), Transmission Provider shall assume responsibility for the design, procurement and construction of all facilities other than Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades if the Interconnection Customer elects to exercise the Option to Build.

5.2 General Conditions Applicable to Option to Build. If Interconnection Customer assumes responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades,

(1) Interconnection Customer shall engineer, procure equipment, and construct Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by Transmission Provider;

(2) Interconnection Customer's engineering, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of law to which Transmission Provider would be subject in the engineering, procurement or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(3) Transmission Provider shall review and approve the engineering design, equipment acceptance tests, and the construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(4) prior to commencement of construction, Interconnection Customer shall provide to Transmission Provider a schedule for construction of Transmission Provider's Interconnection Facilities and Stand Alone

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Network Upgrades, and shall promptly respond to requests for information from Transmission Provider;

(5) at any time during construction, Transmission Provider shall have the right to gain unrestricted access to Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;

(6) at any time during construction, should any phase of the engineering, equipment procurement, or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by Transmission Provider, Interconnection Customer shall be obligated to remedy deficiencies in that portion of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(7) Interconnection Customer shall indemnify Transmission Provider for claims arising from Interconnection Customer's construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades under the terms and procedures applicable to Article 18.1 Indemnity;

(8) Interconnection Customer shall transfer control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to Transmission Provider;

(9) Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to Transmission Provider;

(10) Transmission Provider shall approve and accept for operation and maintenance Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to the extent engineered, procured, and constructed in accordance with this Article 5.2; and

(11) Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information, and any other documents that are reasonably required by Transmission Provider to assure that the Interconnection Facilities and Stand Alone Network Upgrades are built to the standards and specifications required by Transmission Provider.

(12) If Interconnection Customer exercises the Option to Build pursuant to Article 5.1.3, Interconnection Customer shall pay Transmission Provider an

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agreed upon amount of [$ PLACEHOLDER] for Transmission Provider to execute the responsibilities enumerated to Transmission Provider under Article 5.2. Transmission Provider shall invoice Interconnection Customer for this total amount to be divided on a monthly basis pursuant to Article 12.

5.3 Liquidated Damages. The actual damages to Interconnection Customer, in the event Transmission Provider's Interconnection Facilities or Network Upgrades are not completed by the dates designated by Interconnection Customer and accepted by Transmission Provider pursuant to subparagraphs 5.1.2 or 5.1.4, above, may include Interconnection Customer's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of such uncertainty, any liquidated damages paid by Transmission Provider to Interconnection Customer in the event that Transmission Provider does not complete any portion of Transmission Provider's Interconnection Facilities or Network Upgrades by the applicable dates, shall be an amount equal to ½ of 1 percent per day of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades, in the aggregate, for which Transmission Provider has assumed responsibility to design, procure and construct.

However, in no event shall the total liquidated damages exceed 20 percent of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades for which Transmission Provider has assumed responsibility to design, procure, and construct. The foregoing payments will be made by Transmission Provider to Interconnection Customer as just compensation for the damages caused to Interconnection Customer, which actual damages are uncertain and impossible to determine at this time, and as reasonable liquidated damages, but not as a penalty or a method to secure performance of this LGIA. Liquidated damages, when the Parties agree to them, are the exclusive remedy for the Transmission Provider's failure to meet its schedule.

No liquidated damages shall be paid to Interconnection Customer if: (1) Interconnection Customer is not ready to commence use of Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for the Large Generating Facility's Trial Operation or to export power from the Large Generating Facility on the specified dates, unless Interconnection Customer would have been able to commence use of Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for Large Generating Facility's Trial Operation or to export power from the Large Generating Facility, but for Transmission Provider's delay; (2) Transmission Provider's failure to meet the specified dates is the result of the action or inaction of Interconnection Customer or any other Interconnection Customer who has

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entered into an LGIA with Transmission Provider or any cause beyond Transmission Provider's reasonable control or reasonable ability to cure; (3) the Interconnection Customer has assumed responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades; or (4) the Parties have otherwise agreed.

5.4 Power System Stabilizers. The Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with the guidelines and procedures established by the Applicable Reliability Council. Transmission Provider reserves the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative. The requirements of this paragraph shall not apply to wind generators.

5.5 Equipment Procurement. If responsibility for construction of Transmission Provider's Interconnection Facilities or Network Upgrades is to be borne by Transmission Provider, then Transmission Provider shall commence design of Transmission Provider's Interconnection Facilities or Network Upgrades and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

5.5.1 Transmission Provider has completed the Facilities Study pursuant to the Facilities Study Agreement;

5.5.2 Transmission Provider has received written authorization to proceed with design and procurement from Interconnection Customer by the date specified in Appendix B, Milestones; and

5.5.3 Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.6 Construction Commencement. Transmission Provider shall commence construction of Transmission Provider's Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:

5.6.1 Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;

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5.6.2 Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of Transmission Provider's Interconnection Facilities and Network Upgrades;

5.6.3 Transmission Provider has received written authorization to proceed with construction from Interconnection Customer by the date specified in Appendix B, Milestones; and

5.6.4 Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.7 Work Progress. The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, at any time, request a progress report from the other Party. If, at any time, Interconnection Customer determines that the completion of Transmission Provider's Interconnection Facilities will not be required until after the specified In-Service Date, Interconnection Customer will provide written notice to Transmission Provider of such later date upon which the completion of Transmission Provider's Interconnection Facilities will be required.

5.8 Information Exchange. As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with Transmission Provider's Transmission System, and
changes.

5.9 Other Interconnection Options

5.9.1. Limited Operation. If any of Transmission Provider's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Large Generating Facility, Transmission Provider shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Large Generating Facility and Interconnection Customer's Interconnection Facilities may operate prior to the completion of Transmission Provider's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA. Transmission Provider shall permit Interconnection Customer to operate the
Interconnection

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5.9.2 Provisional Interconnection Service. Upon the request of Interconnection Customer, and prior to completion of requisite Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities Transmission Provider may execute a Provisional Large Generator Interconnection Agreement or Interconnection Customer may request the filing of an unexecuted Provisional Large Generator Interconnection Agreement with the Interconnection Customer for limited Interconnection Service at the discretion of Transmission Provider based upon an evaluation that will consider the results of available studies. Transmission Provider shall determine, through available studies or additional studies as necessary, whether stability, short circuit, thermal, and/or voltage issues would arise if Interconnection Customer interconnects without modifications to the Generating Facility or Transmission System. Transmission Provider shall determine whether any Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities that are necessary to meet the requirements of NERC, or any applicable Regional Entity for the interconnection of a new, modified and/or expanded Generating Facility are in place prior to the commencement of Interconnection Service from the Generating Facility. Where available studies indicate that such, Interconnection Facilities, Network Upgrades, Distribution Upgrades, and/or System Protection Facilities that are required for the interconnection of a new, modified and/or expanded Generating Facility are not currently in place, Transmission Provider will perform a study, at the Interconnection Customer's expense, to confirm the facilities that are required for Provisional Interconnection Service. The maximum permissible output of the Generating Facility in the Provisional Large Generator Interconnection Agreement shall be studied and updated on an annual frequency at the Interconnection Customer's expense. Interconnection Customer assumes all risk and liabilities with respect to changes between the Provisional Large Generator Interconnection Agreement and the Large Generator Interconnection Agreement, including changes in output limits and Interconnection Facilities, Network Upgrades, Distribution Upgrades, and/or System Protection Facilities cost responsibilities.

5.10 Interconnection Customer's Interconnection Facilities ('ICIF'). Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

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5.10.1 Interconnection Customer's Interconnection Facility Specifications. Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Transmission Provider at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. Transmission Provider shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

5.10.2 Transmission Provider's Review. Transmission Provider's review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be required by Transmission Provider, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider.

5.10.3 ICIF Construction. The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information and documents for the ICIF, such as: a one-line diagram, a site plan showing the Large Generating Facility and the ICIF, plan and elevation drawings showing the layout of the ICIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with Interconnection Customer's step-up transformers, the facilities connecting the Large Generating Facility to the step-up transformers and the ICIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Large Generating Facility. The Interconnection Customer shall provide Transmission Provider specifications for the excitation system, automatic voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

5.11 Transmission Provider's Interconnection Facilities Construction. Transmission Provider's Interconnection Facilities shall be designed and

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constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Transmission Provider shall deliver to Interconnection Customer the following "as-built" drawings, information and documents for Transmission Provider's Interconnection Facilities (include appropriate drawings and relay diagrams).

Transmission Provider will obtain control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities.

5.12 Access Rights. Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish at no cost to the other Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large Generating Facility with the Transmission System; (ii) operate and maintain the Large Generating Facility, the Interconnection Facilities and the Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this LGIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.

5.13 Lands of Other Property Owners. If any part of Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or Transmission Provider or Transmission Owner, Transmission Provider or Transmission Owner shall at Interconnection Customer's expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades upon such property.

5.14 Permits. Transmission Provider or Transmission Owner and Interconnection Customer shall cooperate with each other in good faith in obtaining all permits, licenses and authorizations that are necessary to accomplish the interconnection in

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compliance with Applicable Laws and Regulations. With respect to this paragraph, Transmission Provider or Transmission Owner shall provide permitting assistance to Interconnection Customer comparable to that provided to Transmission Provider's own, or an Affiliate's generation.

5.15 Early Construction of Base Case Facilities. Interconnection Customer may request Transmission Provider to construct, and Transmission Provider shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Network Upgrades required for Interconnection Customer to be interconnected to the Transmission System which are included in the Base Case of the Facilities Study for Interconnection Customer, and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.

5.16 Suspension. Interconnection Customer reserves the right, upon written notice to Transmission Provider, to suspend at any time all work by Transmission Provider associated with the construction and installation of Transmission Provider's Interconnection Facilities and/or Network Upgrades required under this LGIA with the condition that Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Transmission Provider's safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Transmission Provider (i) has incurred pursuant to this LGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Transmission Provider cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Transmission Provider shall obtain Interconnection Customer's authorization to do so.

Transmission Provider shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by Transmission Provider required under this LGIA pursuant to this Article 5.16, and has not requested Transmission Provider to recommence the work required under this LGIA on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Transmission Provider, if no effective date is specified.

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5.17 Taxes.

5.17.1 Interconnection Customer Payments Not Taxable. The Parties intend that all payments or property transfers made by Interconnection Customer to Transmission Provider for the installation of Transmission Provider's Interconnection Facilities and the Network Upgrades shall be non-taxable, either as contributions to capital, or as an advance, in accordance with the Internal Revenue Code and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the Internal Revenue Code and any applicable state income tax laws.

5.17.2 Representations and Covenants. In accordance with IRS Notice 2001-82 and IRS Notice 88-129, Interconnection Customer represents and covenants that (i) ownership of the electricity generated at the Large Generating Facility will pass to another party prior to the transmission of the electricity on the Transmission System, (ii) for income tax purposes, the amount of any payments and the cost of any property transferred to Transmission Provider for Transmission Provider's Interconnection Facilities will be capitalized by Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of Transmission Provider's Interconnection Facilities that is a "dual-use intertie," within the meaning of IRS Notice 88-129, is reasonably expected to carry only a de minimis amount of electricity in the direction of the Large Generating Facility. For this purpose, "de minimis amount" means no more than 5 percent of the total power flows in both directions, calculated in accordance with the "5 percent test" set forth in IRS Notice 88-129. This is not intended to be an exclusive list of the relevant conditions that must be met to conform to IRS requirements for non-taxable treatment.

At Transmission Provider's request, Interconnection Customer shall provide Transmission Provider with a report from an independent engineer confirming its representation in clause (iii), above. Transmission Provider represents and covenants that the cost of Transmission Provider's Interconnection Facilities paid for by Interconnection Customer will have no net effect on the base upon which rates are determined.

5.17.3 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon the Transmission Provider. Notwithstanding

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Article 5.17.1, Interconnection Customer shall protect, indemnify and hold harmless Transmission Provider from the cost consequences of any current tax liability imposed against Transmission Provider as the result of payments or property transfers made by Interconnection Customer to Transmission Provider under this LGIA for Interconnection Facilities, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Transmission Provider.

Transmission Provider shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection Customer under this LGIA unless (i) Transmission Provider has determined, in good faith, that the payments or property transfers made by Interconnection Customer to Transmission Provider should be reported as income subject to taxation or (ii) any Governmental Authority directs Transmission Provider to report payments or property as income subject to taxation; provided, however, that Transmission Provider may require Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to Transmission Provider (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 5.17. Interconnection Customer shall reimburse Transmission Provider for such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within thirty (30) Calendar Days of receiving written notification from Transmission Provider of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten year testing period and the applicable statute of limitation, as it may be extended by Transmission Provider upon request of the IRS, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 5.17.

5.17.4 Tax Gross-Up Amount. Interconnection Customer's liability for the cost consequences of any current tax liability under this Article 5.17 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that Interconnection Customer will pay Transmission Provider, in addition to the amount paid for the Interconnection Facilities and Network Upgrades, an amount equal to (1) the current taxes imposed on Transmission Provider

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("Current Taxes") on the excess of (a) the gross income realized by Transmission Provider as a result of payments or property transfers made by Interconnection Customer to Transmission Provider under this LGIA (without regard to any payments under this Article 5.17) (the "Gross Income Amount") over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the "Present Value Depreciation Amount"), plus (2) an additional amount sufficient to permit Transmission Provider to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1).

For this purpose, (i) Current Taxes shall be computed based on Transmission Provider's composite federal and state tax rates at the time the payments or property transfers are received and Transmission Provider will be treated as being subject to tax at the highest marginal rates in effect at that time (the "Current Tax Rate"), and (ii) the Present Value Depreciation Amount shall be computed by discounting Transmission Provider's anticipated tax depreciation deductions as a result of such payments or property transfers by Transmission Provider's current weighted average cost of capital. Thus, the formula for calculating Interconnection Customer's liability to Transmission Owner pursuant to this Article 5.17.4 can be expressed as follows: (Current Tax Rate x (Gross Income Amount - Present Value of Tax Depreciation))/(1Current Tax Rate). Interconnection Customer's estimated tax liability in the event taxes are imposed shall be stated in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.17.5 Private Letter Ruling or Change or Clarification of Law. At Interconnection Customer's request and expense, Transmission Provider shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Interconnection Customer to Transmission Provider under this LGIA are subject to federal income taxation. Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Interconnection Customer's knowledge. Transmission Provider and Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

Transmission Provider shall keep Interconnection Customer fully

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informed of the status of such request for a private letter ruling and shall execute either a privacy act waiver or a limited power of attorney, in a form acceptable to the IRS, that authorizes Interconnection Customer to participate in all discussions with the IRS regarding such request for a private letter ruling. Transmission Provider shall allow Interconnection Customer to attend all meetings with IRS officials about the request and shall permit Interconnection Customer to prepare the initial drafts of any follow-up letters in connection with the request.

5.17.6 Subsequent Taxable Events. If, within 10 years from the date on which the relevant Transmission Provider's Interconnection Facilities are placed in service, (i) Interconnection Customer Breaches the covenants contained in Article 5.17.2, (ii) a "disqualification event" occurs within the meaning of IRS Notice 88-129, or (iii) this LGIA terminates and Transmission Provider retains ownership of the Interconnection Facilities and Network Upgrades, Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on Transmission Provider, calculated using the methodology described in Article 5.17.4 and in accordance with IRS Notice 90-60.

5.17.7 Contests. In the event any Governmental Authority determines that Transmission Provider's receipt of payments or property constitutes income that is subject to taxation, Transmission Provider shall notify Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by Interconnection Customer and at Interconnection Customer's sole expense, Transmission Provider may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Interconnection Customer's written request and sole expense, Transmission Provider may file a claim for refund with respect to any taxes paid under this Article 5.17, whether or not it has received such a determination. Transmission Provider reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but Transmission Provider shall keep Interconnection Customer informed, shall consider in good faith suggestions from Interconnection Customer about the conduct of the contest, and shall reasonably permit Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

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Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement or other contest. At any time during the contest, Transmission Provider may agree to a settlement either with Interconnection Customer's consent or after obtaining written advice from nationally-recognized tax counsel, selected by Transmission Provider, but reasonably acceptable to Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation.

Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully grossed-up bases to cover any related cost consequences of the current tax liability. Any settlement without Interconnection Customer's consent or such written advice will relieve Interconnection Customer from any obligation to indemnify Transmission Provider for the tax at issue in the contest.

5.17.8 Refund. In the event that (a) a private letter ruling is issued to Transmission Provider which holds that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Provider under the terms of this LGIA is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Transmission Provider in good faith that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Provider under the terms of this LGIA is not taxable to Transmission Provider, (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by Interconnection Customer to Transmission Provider are not subject to federal income tax, or (d) if Transmission Provider receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by Interconnection Customer to Transmission Provider pursuant to this LGIA, Transmission Provider shall promptly refund to Interconnection Customer the following:

(i) any payment made by Interconnection Customer under this

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Article 5.17 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon,

(ii) interest on any amounts paid by Interconnection Customer to Transmission Provider for such taxes which Transmission Provider did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC's regulations at 18 CFR §35.19a(a)(2)(iii) from the date payment was made by Interconnection Customer to the date Transmission Provider refunds such payment to Interconnection Customer, and

(iii) with respect to any such taxes paid by Transmission Provider, any refund or credit Transmission Provider receives
Governmental
Authority, interest (or that portion thereof attributable to the
Transmission
Provider for such overpayment of taxes (including any reduction in interest otherwise payable by Transmission Provider to any Governmental Authority resulting from an
Transmission
to Interconnection
Customer only after and to the extent that Transmission Provider has received a tax refund, credit or offset from any
overpayment of
income tax related to Transmission Provider's Interconnection Facilities.

The intent of this provision is to leave the Parties, to the extent practicable, in the event that no taxes are due with respect to any payment for Interconnection Facilities and Network Upgrades hereunder, in the same position they would have been in had no such tax payments been made.

5.17.9 Taxes Other Than Income Taxes. Upon the timely request by Interconnection Customer, and at Interconnection Customer's sole expense, Transmission Provider may appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Transmission Provider for which Interconnection Customer may be required to reimburse

Transmission Provider under the terms of this LGIA. Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission

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Provider's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Interconnection Customer and Transmission Provider shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Interconnection Customer to Transmission Provider for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Transmission Provider.

5.17.10 Transmission Owners Who Are Not Transmission Providers. If Transmission Provider is not the same entity as the Transmission Owner, then (i) all references in this Article 5.17 to Transmission Provider shall be deemed also to refer to and to include the Transmission Owner, as appropriate, and (ii) this LGIA shall not become effective until such Transmission Owner shall have agreed in writing to assume all of the duties and obligations of Transmission Provider under this Article 5.17 of this LGIA.

5.18 Tax Status. Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this LGIA is intended to adversely affect any Transmission Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds.

5.19 Modification.

5.19.1 General. Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide to the other Party sufficient information regarding such modification so that the other Party may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Large Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not

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unreasonably be withheld, conditioned or delayed.

In the case of Large Generating Facility modifications that do not require Interconnection Customer to submit an Interconnection Request, Transmission Provider shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the Transmission System,
Network
Customer modification and a good faith estimate of the costs thereof.

5.19.2 Standards. Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this LGIA and Good Utility Practice.

5.19.3 Modification Costs. Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that Transmission Provider makes to Transmission Provider's Interconnection Facilities or the Transmission System to facilitate the interconnection of a third party to Transmission Provider's Interconnection Facilities or the Transmission System, or to provide transmission service to a third party under Transmission Provider's Tariff. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to Interconnection Customer's Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer's Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

Article 6. Testing and Inspection

6.1 Pre-Commercial Operation Date Testing and Modifications. Prior to the Commercial Operation Date, Transmission Provider shall test Transmission Provider's Interconnection Facilities and Network Upgrades and Interconnection Customer shall test the Large Generating Facility and Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection Customer shall generate test energy at the Large Generating Facility only if it has arranged for the delivery of such test energy.

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6.2 Post-Commercial Operation Date Testing and Modifications. Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Large Generating Facility with the Transmission System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.

6.3 Right to Observe Testing. Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.

6.4 Right to Inspect. Each Party shall have the right, but shall have no obligation to: (i) observe the other Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; (ii) review the settings of the other Party's System Protection Facilities and other protective equipment; and (iii) review the other Party's maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be deemed to be Confidential Information and treated pursuant to Article 22 of this LGIA.

Article 7. Metering

7.1 General. Each Party shall comply with the Applicable Reliability Council requirements. Unless otherwise agreed by the Parties, Transmission Provider shall install Metering Equipment at the Point of Interconnection prior to any operation of the Large Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Large Generating Facility shall be measured at or, at Transmission Provider's option, compensated to, the Point of Interconnection. Transmission Provider shall provide metering quantities, in analog and/or digital form, to Interconnection Customer upon request. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.

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7.2 Interconnection Customer Meters. Interconnection Customer, at its expense, shall install and operate, on its premises and on its side of the Point of Interconnection, revenue quality Metering Equipment to measure power flows from the Large Generating Facility, as identified in Appendix C. Such meters shall be for Interconnection Customer's purposes primarily and shall not be used for the measurement of power flows for purposes of this LGIA, except as provided in Article 7.4 below and in Appendix A. The meters shall be subject at all reasonable times to inspection and examination by Transmission Provider or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice. Interconnection Customer shall give reasonable notice of the time when any meter inspection or test shall take place, and Transmission Provider may have representatives present at the test or inspection. If at any time Interconnection Customer's Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer's expense, in order to provide accurate metering.

7.3 Standards. Transmission Provider shall install, calibrate, and test its revenue quality Metering Equipment (on its side of the Point of Interconnection) in accordance with applicable ANSI standards. Interconnection Customer shall install, calibrate, and test its revenue quality Metering Equipment (on its side of the Point of Interconnection) in accordance with applicable ANSI standards.

7.4 Testing of Metering Equipment. Transmission Provider shall inspect and test all Transmission Provider-owned Metering Equipment upon installation and at least once every two (2) years thereafter. If requested to do so by Interconnection Customer, Transmission Provider shall, at Interconnection Customer's expense, inspect or test Metering Equipment more frequently than every two (2) years. Transmission Provider shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer's expense, in order to provide accurate metering, unless the inaccuracy or defect is due to Transmission Provider's failure to maintain, then Transmission Provider shall pay. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than two percent from the measurement made by the standard meter used in the test, Transmission Provider shall adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using Interconnection Customer's meters. If the period cannot be reasonably ascertained, the adjustment shall be for the period immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last

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previous test of the Metering Equipment.

7.5 Metering Data. At Interconnection Customer's expense, the metered data from the Transmission Provider's Metering Equipment shall be telemetered to one or more locations designated by Transmission Provider and one or more locations designated by Interconnection Customer. Such telemetered data shall be used, under normal operating conditions, as the official measurement of the amount of combined energy delivered from the two Large Generating Facilities of the Interconnection Customer to the Point of Interconnection.

Article 8. Communications

8.1 Interconnection Customer Obligations. Interconnection Customer shall maintain satisfactory operating communications with Transmission Provider's Transmission System dispatcher or representative designated by Transmission Provider. Interconnection Customer shall provide standard voice line, dedicated voice line and facsimile communications at its Large Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to Transmission Provider as set forth in Appendix D, Security Arrangements Details. The data circuit(s) shall extend from the Large Generating Facility to the location(s) specified by Transmission Provider. Any required maintenance of such communications equipment shall be performed by Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.

8.2 Remote Terminal Unit. Prior to the Initial Synchronization Date of the Large Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by Transmission Provider at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Transmission Provider through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The communication protocol for the data circuit(s) shall be specified by Transmission Provider. Instantaneous bi-directional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by Transmission Provider.

Each Party will promptly advise the other Party if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Party. The Party owning such

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equipment shall correct such error or malfunction as soon as reasonably feasible.

8.3 No Annexation. Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.

8.4 Provision of Data from a Variable Energy Resource. The Interconnection Customer whose Generating Facility is a Variable Energy Resource shall provide meteorological and forced outage data to the Transmission Provider to the extent necessary for the Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The Interconnection Customer with a Variable Energy Resource having wind as the energy source, at a minimum, will be required to provide the Transmission Provider with site-specific meteorological data including: temperature, wind speed, wind direction, and atmospheric pressure. The Interconnection Customer with a Variable Energy Resource having solar as the energy source, at a minimum, will be required to provide the Transmission Provider with site-specific meteorological data including: temperature, atmospheric pressure, and irradiance. The Transmission Provider and Interconnection Customer whose Generating Facility is a Variable Energy Resource shall mutually agree to any additional meteorological data that are required for the development and deployment of a power production forecast. The Interconnection Customer whose Generating Facility is a Variable Energy Resource also shall submit data to the Transmission Provider regarding all forced outages to the extent necessary for the Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The exact specifications of the meteorological and forced outage data to be provided by the Interconnection Customer to the Transmission Provider, including the frequency and timing of data submittals, shall be made taking into account the size and configuration of the Variable Energy Resource, its characteristics, location, and its importance in maintaining generation resource adequacy and transmission system reliability in its area. All requirements for meteorological and forced outage data must be commensurate with the power production forecasting employed by the Transmission Provider. Such requirements for meteorological and forced outage data are set forth in Appendix C, Interconnection Details, of this LGIA, as they may change from time to time.

Article 9. Operations

9.1 General. Each Party shall comply with the Applicable Reliability Council requirements. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and

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Regulations and Applicable Reliability Standards.

9.2 Control Area Notification. At least three months before Initial Synchronization Date, Interconnection Customer shall notify Transmission Provider in writing of the Control Area in which the Large Generating Facility will be located. If Interconnection Customer elects to locate the Large Generating Facility in a Control Area other than the Control Area in which the Large Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this LGIA, and remote Control Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the other Control Area.

9.3 Transmission Provider Obligations. Transmission Provider shall cause the Transmission System and Transmission Provider's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA. Transmission Provider may provide operating instructions to Interconnection Customer consistent with this LGIA and Transmission Provider's operating protocols and procedures as they may change from time to time. Transmission Provider will consider changes to its operating protocols and procedures proposed by Interconnection Customer.

9.4 Interconnection Customer Obligations. Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA. Interconnection Customer shall operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Control Area of which it is part, as such requirements are set forth in Appendix C, Interconnection Details, of this LGIA. Appendix C, Interconnection Details, will be modified to reflect changes to the requirements as they may change from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this LGIA.

9.5 Start-Up and Synchronization. Consistent with the Parties' mutually acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Large Generating Facility to Transmission Provider's Transmission System.

9.6 Reactive Power and Primary Frequency Response.

9.6.1 Power Factor Design Criteria.

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9.6.1.1 Synchronous Generation. Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established different requirements that apply to all generators in the Control Area on a comparable basis.

9.6.1.2 Non-Synchronous Generation. Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established a different power factor range that applies to all non-synchronous generators in the Control Area on a comparable basis. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors, or a combination of the two. This requirement shall only apply to newly interconnecting non-synchronous generators that have not yet executed a Facilities Study Agreement as of the effective date of the Final Rule establishing this requirement (Order No. 827).

9.6.2 Voltage Schedules. Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Transmission Provider shall require Interconnection Customer to operate the Large Generating Facility to produce or absorb reactive power within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). Transmission Provider's voltage schedules shall treat all sources of reactive power in the Control Area in an equitable and not unduly discriminatory manner. Transmission Provider shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one (1) day in advance, and may make changes to such schedules as necessary to maintain the reliability of the Transmission System. Interconnection Customer shall operate the Large Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). If Interconnection Customer is unable to maintain the specified voltage or

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power factor, it shall promptly notify the System Operator.

9.6.2.1 Voltage Regulators. Whenever the Large Generating Facility is operated in parallel with the Transmission System and voltage regulators are capable of operation, Interconnection Customer shall operate the Large Generating Facility with its voltage regulators in automatic operation. If the Large Generating Facility's voltage regulators are not capable of such automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative, and ensure that such Large Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Large Generating Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the Transmission System or trip any generating unit comprising the Large Generating Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators in the Control Area on a comparable basis.

9.6.3 Payment for Reactive Power. Transmission Provider is required to pay Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Large Generating Facility when Transmission Provider requests Interconnection Customer to operate its Large Generating Facility outside the range specified in Article 9.6.1, provided that if Transmission Provider pays its own or affiliated generators for reactive power service within the specified range, it must also pay Interconnection Customer. Payments shall be pursuant to Article 11.6 or such other agreement to which the Parties have otherwise agreed.

9.6.4 Primary Frequency Response. Interconnection Customer shall ensure the primary frequency response capability of its Large Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term "functioning governor or equivalent controls" as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Large Generating Facility's real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection

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Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop and ±0.036 Hz and Reliability Standard providing for equivalent or more stringent parameters. The droop Large frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based an approved NERC Reliability Standard providing for an equivalent or more of or Facility's real power output in response to frequency deviations. The deadband shall the change to under- deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with an approved NERC Reliability Standard providing for an shall capability of the Large Generating Facility has been tested and confirmed synchronized the Large Generating Facility with the Transmission System, Interconnection Customer shall operate the Large Generating Facility consistent with the provisions specified in Sections 9.6.4.1 and 9.6.4.2 of this Agreement. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Large Generating Facilities.

9.6.4.1 **Governor or Equivalent Controls.** Whenever the Large Generating Facility is operated in parallel with the Transmission System, Interconnection Customer shall operate the Large Generating Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall: (1) in coordination with Transmission Provider and/or the relevant balancing authority, set the deadband parameter to: (1) a maximum of

±0.036 Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop and deadband settings from an approved NERC Reliability Standard that provides for equivalent or more stringent parameters.

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Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to Transmission Provider and/or the relevant balancing authority
to operate
the Large Generating Facility with its governor or equivalent
Customer shall
immediately notify Transmission Provider and the relevant balancing authority, and provide both with the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service
reasons for
removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon
Reasonable Efforts to keep outages of the Large Generating Facility's governor or equivalent controls to a minimum whenever the Large Generating Facility is operated in parallel

9.6.4.2 **Timely and Sustained Response.** Interconnection Customer shall ensure that the Large Generating Facility's real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Large Generating Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Large Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. A Commission-
or more

stringent requirements shall supersede the above requirements.

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9.6.4.3 **Exemptions**. Large Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Sections 9.6.4, 9.6.4.1, and 9.6.4.2 of this Agreement. Large Generating Facilities that are behind the meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in Section 9.6.4, but shall be otherwise exempt from the operating requirements in Sections 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.4 of this Agreement.

9.6.4.4 **Electric Storage Resources**. Interconnection Customer interconnecting an electric storage resource shall establish an operating range in Appendix C of its LGIA that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Sections 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.3 of this Agreement. Appendix C shall specify whether the operating range is static or dynamic, and shall consider (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by Transmission Provider and Interconnection Customer, and in consultation with the relevant transmission owner or balancing authority as appropriate. If the operating range is dynamic, then Appendix C must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with Section 9.6.4.2 of this Agreement

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when it is online and dispatched to inject electricity to the Transmission System and/or receive electricity from the Transmission System. This excludes circumstances when the electric storage resource is not dispatched to inject electricity to the Transmission System and/or dispatched to receive electricity from the Transmission System. If Interconnection Customer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Interconnection Customer's electric storage resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

9.7 Outages and Interruptions.

9.7.1 Outages.

9.7.1.1 Outage Authority and Coordination. Each Party may in accordance with Good Utility Practice in coordination with the other Party remove from service any of its respective Interconnection Facilities or Network Upgrades that may impact the other Party's facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service will use Reasonable Efforts to schedule such removal on a date and time mutually acceptable to the Parties. In all circumstances, any Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Party of such removal.

9.7.1.2 Outage Schedules. Transmission Provider shall post scheduled outages of its transmission facilities on the OASIS. Interconnection Customer shall submit its planned maintenance schedules for the Large Generating Facility to Transmission Provider for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its planned maintenance schedules as necessary. Transmission Provider may request Interconnection Customer to reschedule

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its maintenance as necessary to maintain the reliability of the Transmission System; provided, however, adequacy of generation supply shall not be a criterion in determining Transmission System reliability. Transmission Provider shall compensate Interconnection Customer for any additional direct costs that Interconnection Customer incurs as a result of having to reschedule maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent Transmission Provider's request to reschedule maintenance. Interconnection Customer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, Interconnection Customer had modified its schedule of maintenance activities.

9.7.1.3 **Outage Restoration**. If an outage on a Party's Interconnection Facilities or Network Upgrades adversely affects the other Party's operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, to the extent such information is known, information on the nature of the Emergency Condition, an estimated time of restoration, and any corrective actions required. Initial verbal notice shall be followed up as soon as practicable with written notice explaining the nature of the outage.

9.7.2 Interruption of Service. If required by Good Utility Practice to do so, Transmission Provider may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect Transmission Provider's ability to perform such activities as are necessary to safely and reliably operate and maintain the Transmission System. The following provisions shall apply to any interruption or reduction permitted under this Article 9.7.2:

9.7.2.1 The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice;

9.7.2.2 Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all

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generating facilities directly connected to the Transmission System;

9.7.2.3 When the interruption or reduction must be made under circumstances which do not allow for advance notice, Transmission Provider shall notify Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written notification as soon as practicable;

9.7.2.4 Except during the existence of an Emergency Condition, when the interruption or reduction can be scheduled without advance notice, Transmission Provider shall notify Interconnection Customer in advance regarding the timing of such scheduling and further notify Interconnection Customer of the expected duration. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to Interconnection Customer and Transmission Provider;

9.7.2.5 The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Large Generating Facility, Interconnection Facilities, and the Transmission System to their normal operating state, consistent with system conditions and Good Utility Practice.

9.7.3 Under-Frequency and Over Frequency Conditions. The Transmission System is designed to automatically activate a load-shed program as required by the Applicable Reliability Council in the event of an under-frequency system disturbance. Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Large Generating Facility as required by the Applicable Reliability Council to ensure "ride through" capability of the Transmission System. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with Transmission Provider in accordance with Good Utility Practice. The term "ride through" as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the Transmission System during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice.

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9.7.4 System Protection and Other Control Requirements.

9.7.4.1 **System Protection Facilities**. Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider shall install at Interconnection Customer's expense any System Protection Facilities that may be required on Transmission Provider's Interconnection Facilities or the Transmission System as a result of the interconnection of the Large Generating Facility and Interconnection Customer's Interconnection Facilities.

9.7.4.2 Each Party's protection facilities shall be designed and coordinated with other systems in accordance with Good Utility Practice.

9.7.4.3 Each Party shall be responsible for protection of its facilities consistent with Good Utility Practice.

9.7.4.4 Each Party's protective relay design shall incorporate the necessary test switches to perform the tests required in Article 6. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of Interconnection Customer's units.

9.7.4.5 Each Party will test, operate and maintain System Protection Facilities in accordance with Good Utility Practice.

9.7.4.6 Prior to the In-Service Date, and again prior to the Commercial Operation Date, each Party or its agent shall perform a complete calibration test and functional trip test of the System Protection Facilities. At intervals suggested by Good Utility Practice and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its System Protection Facilities. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

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9.7.5 Requirements for Protection. In compliance with Good Utility Practice, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the Transmission System not otherwise isolated by Transmission Provider's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Transmission System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Large Generating Facility and the Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Large Generating Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and Interconnection Customer's other equipment
affect the Large
Generating Facility.

9.7.6 Power Quality. Neither Party's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard. In the event of a conflict between ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, ANSI Standard C84.1-1989, or the applicable superseding electric industry standard, shall control.

9.8 Switching and Tagging Rules. Each Party shall provide the other Party a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

9.9 Use of Interconnection Facilities by Third Parties.

9.9.1 Purpose of Interconnection Facilities. Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities under this Agreement shall be

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constructed for the sole purpose of interconnecting the two Large Generating Facilities to the Transmission System. Further, the Parties have agreed that Generating Facility VE100S and VE50S will share the Interconnection Facilities and a single Point of Interconnection.

9.9.2 Third Party Users. If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use Transmission Provider's Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to FERC for resolution.

9.10 Disturbance Analysis Data Exchange. The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or Transmission Provider's Transmission System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.

Article 10. Maintenance

10.1 Transmission Provider Obligations. Transmission Provider shall maintain the Transmission System and Transmission Provider's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.2 Interconnection Customer Obligations. Interconnection Customer shall maintain the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.3 Coordination. The Parties shall confer regularly to coordinate the planning,

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scheduling and performance of preventive and corrective maintenance on the Large Generating Facility and the Interconnection Facilities.

10.4 Secondary Systems. Each Party shall cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

10.5 Operating and Maintenance Expenses. Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of Transmission Provider's Interconnection Facilities.

Article 11. Performance Obligation

11.1 Interconnection Customer Interconnection Facilities. Interconnection Customer shall design, procure, construct, install, own and/or control Interconnection Customer Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at its sole expense.

11.2 Transmission Provider's Interconnection Facilities. Transmission Provider or Transmission Owner shall design, procure, construct, install, own and/or control the Transmission Provider's Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at the sole expense of the Interconnection Customer.

11.3 Network Upgrades and Distribution Upgrades. Transmission Provider or Transmission Owner shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades. The Interconnection Customer shall be responsible for all costs related to Distribution Upgrades.

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Unless Transmission Provider or Transmission Owner elects to fund the capital for the Network Upgrades, they shall be solely funded by Interconnection Customer.

11.4 Transmission Credits.

11.4.1 Repayment of Amounts Advanced for Network Upgrades.

Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to Transmission Provider and Affected System Operator, if any, for the Network Upgrades, including any tax gross-up or other tax-related payments associated with Network Upgrades, and not refunded to Interconnection Customer pursuant to Article 5.17.8 or otherwise, to be paid to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under Transmission Provider's Tariff and Affected System's Tariff for transmission services with respect to the Large Generating Facility. Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. Interconnection Customer may assign such repayment rights to any person.

Notwithstanding the foregoing, Interconnection Customer, Transmission Provider, and Affected System Operator may adopt any alternative payment schedule that is mutually agreeable so long as Transmission Provider and Affected System Operator take one of the following actions no later than five years from the Commercial Operation Date: (1) return to Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that Transmission Provider or Affected System Operator will continue to provide payments to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the Commercial Operation Date.

If the Large Generating Facility fails to achieve commercial

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operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, Transmission Provider and Affected System Operator shall at that time reimburse Interconnection Customer for the amounts advanced for the Network Upgrades. Before any such reimbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the Generating Facility, if different, is responsible for identifying the entity to which reimbursement must be made.

11.4.2 Special Provisions for Affected Systems. Unless Transmission Provider provides, under the LGIA, for the repayment of amounts advanced to Affected System Operator for Network Upgrades, Interconnection Customer and Affected System Operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by Interconnection Customer to the Affected System Operator as well as the repayment by the Affected System Operator.

11.4.3 Notwithstanding any other provision of this LGIA, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that Interconnection Customer, shall be entitled to, now or in the future under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Large Generating Facility.

11.5 Provision of Security. At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, Interconnection Customer shall provide Transmission Provider, at Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Transmission Provider and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and shall be reduced on a dollar-for dollar basis for payments made to Transmission Provider for these purposes.

In addition:

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11.5.1 The guarantee must be made by an entity that meets the creditworthiness requirements of Transmission Provider, and contain terms and conditions that guarantee payment of any amount that may be due from Interconnection Customer, up to an agreed-to maximum amount.

11.5.2 The letter of credit must be issued by a financial institution reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

11.5.3 The surety bond must be issued by an insurer reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

11.6 Interconnection Customer Compensation. If Transmission Provider requests or directs Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for Reactive Power), or 13.5.1 of this LGIA, Transmission Provider shall compensate Interconnection Customer in accordance with Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to an RTO or ISO FERC-approved rate schedule. Interconnection Customer shall serve Transmission Provider or RTO or ISO with any filing of a proposed rate schedule at the time of such filing with FERC. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb any Reactive Power under this LGIA, Transmission Provider agrees to compensate Interconnection Customer in such amount as would have been due Interconnection Customer had the rate schedule been in effect at the time service commenced; provided, however, that such rate schedule must be filed at FERC or other appropriate Governmental Authority within sixty (60) Calendar Days of the commencement of service.

11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition. Transmission Provider or RTO or ISO shall compensate Interconnection Customer for its provision of real and reactive power and other Emergency Condition services that Interconnection Customer provides to support the Transmission System during an Emergency Condition in accordance with Article 11.6.

Article 12. Invoice

12.1 General. Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to

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which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this LGIA, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

12.2 Final Invoice. Within six months after completion of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades, Transmission Provider shall provide an invoice of the final cost of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Transmission Provider shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

12.3 Payment. Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by either Party will not constitute a waiver of any rights or claims either Party may have under this LGIA.

12.4 Disputes. In the event of a billing dispute between Transmission Provider and Interconnection Customer, Transmission Provider shall continue to provide Interconnection Service under this LGIA as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Transmission Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then Transmission Provider may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accord with the methodology set forth in FERC's regulations at 18 CFR § 35.19a(a)(2)(iii).

Article 13. Emergencies

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13.1 Definition. "Emergency Condition" shall mean a condition or situation: (i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (ii) that, in the case of Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (iii) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Large Generating Facility or Interconnection Customer's Interconnection Facilities' System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by this LGIA to possess black start capability.

13.2 Obligations. Each Party shall comply with the Emergency Condition procedures of the applicable ISO/RTO, NERC, the Applicable Reliability Council, Applicable Laws and Regulations, and any emergency procedures agreed to by the Joint Operating Committee.

13.3 Notice. Transmission Provider shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects Transmission Provider's Interconnection Facilities or the Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Transmission Provider promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the Transmission System or Transmission Provider's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer's or Transmission Provider's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.

13.4 Immediate Action. Unless, in Interconnection Customer's reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Transmission Provider, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Large Generating Facility or Interconnection Customer's Interconnection Facilities in response to an Emergency Condition either declared by Transmission Provider or otherwise regarding the Transmission System.

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13.5 Transmission Provider Authority.

13.5.1 General. Transmission Provider may take whatever actions or inactions with regard to the Transmission System or Transmission Provider's Interconnection Facilities it deems necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Transmission System or Transmission Provider's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

Transmission Provider shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider may, on the basis of technical considerations, require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, startup, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing Interconnection Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of Transmission Provider's operating instructions concerning Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

13.5.2 Reduction and Disconnection. Transmission Provider may reduce Interconnection Service or disconnect the Large Generating Facility or Interconnection Customer's Interconnection Facilities, when such, reduction or disconnection is necessary under Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from any right of curtailment of Transmission Provider pursuant to Transmission Provider's Tariff. When Transmission Provider can schedule the reduction or disconnection in advance, Transmission Provider shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or

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disconnection during periods of least impact to Interconnection Customer and Transmission Provider. Any reduction or disconnection shall continue only for so long as reasonably necessary under Good Utility Practice. The Parties shall cooperate with each other to restore the Large Generating Facility, the Interconnection Facilities, and the Transmission System to their normal operating state as soon as practicable consistent with Good Utility Practice.

13.6 Interconnection Customer Authority. Consistent with Good Utility Practice and the LGIA and the LGIP, Interconnection Customer may take actions or inactions with regard to the Large Generating Facility or Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Large Generating Facility or Interconnection Customer's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Transmission System and Transmission Provider's Interconnection Facilities. Transmission Provider shall use Reasonable Efforts to assist Interconnection Customer in such actions.

13.7 Limited Liability. Except as otherwise provided in Article 11.6.1 of this LGIA, neither Party shall be liable to the other for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.

Article 14. Regulatory Requirements and Governing Law

14.1 Regulatory Requirements. Each Party's obligations under this LGIA shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this LGIA shall require Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act, the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978.

14.2 Governing Law.

14.2.1 The validity, interpretation and performance of this LGIA and each of its

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provisions shall be governed by the laws of the state where the Point of Interconnection is located, without regard to its conflicts of law principles.

14.2.2 This LGIA is subject to all Applicable Laws and Regulations.

14.3.3 Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

Article 15. Notices.

15.1 General. Unless otherwise provided in this LGIA, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.

Either Party may change the notice information in this LGIA by giving five (5) Business Days written notice prior to the effective date of the change.

15.2 Billings and Payments. Billings and payments shall be sent to the addresses set out in Appendix F.

15.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F.

15.4 Operations and Maintenance Notice. Each Party shall notify the other Party in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10.

Article 16. Force Majeure

16.1 Force Majeure.

16.1.1 Economic hardship is not considered a Force Majeure event.

16.1.2 Neither Party shall be considered to be in Default with respect to any

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obligation hereunder, (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

Article 17. Default

17.1 Default

17.1 General. No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this LGIA or the result of an act of omission of the other Party. Upon a Breach, the non-breaching Party shall give written notice of such Breach to the breaching Party. Except as provided in Article 17.1.2, the breaching Party shall have thirty (30) Calendar Days from receipt of the Default notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

17.2 Right to Terminate. If a Breach is not cured as provided in this article, or if a Breach is not capable of being cured within the period provided for herein, the non-breaching Party shall have the right to declare a Default and terminate this LGIA by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this LGIA, to

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recover from the breaching 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 article will survive termination of this LGIA.

Article 18. Indemnity, Consequential Damages and Insurance

18.1 Indemnity. The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under this LGIA on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

18.1.1 Indemnified Person. If an Indemnified Person is entitled to indemnification under this Article 18 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 18.1, to assume the defense of such claim, such Indemnified Person may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

18.1.2 Indemnifying Party. If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Article 18, the amount owing to the Indemnified Person shall be the amount of such Indemnified Person's actual Loss, net of any insurance or other recovery.

18.1.3 Indemnity Procedures. Promptly after receipt by an Indemnified Person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Article 18.1 may apply, the Indemnified Person shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.

The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Person. If the defendants in any such action include one or more Indemnified Persons and the

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Indemnifying Party and if the Indemnified Person reasonably concludes that there may be legal defenses available to it and/or other Indemnified Persons which are different from or additional to those available to the Indemnifying Party, the Indemnified Person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Person or Indemnified Persons having such differing or additional legal defenses.

The Indemnified Person shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Person and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Person, or there exists a conflict or adversity of interest between the Indemnified Person and the Indemnifying Party, in such event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Person, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Person, which shall not be reasonably withheld, conditioned or delayed.

18.2 Consequential Damages. Other than the Liquidated Damages heretofore described, in no event shall either Party be liable under any provision of this LGIA 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.

18.3 Insurance. Each party shall, at its own expense, maintain in force throughout the period of this LGIA, and until released by the other Party, the following minimum insurance coverages, with insurers authorized to do business in the state where the Point of Interconnection is located:

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18.3.1 Employers' Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the state in which the Point of Interconnection is located.

18.3.2 Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of One Million Dollars ($1,000,000) per occurrence/One Million Dollars ($1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.

18.3.3 Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars ($1,000,000) per occurrence for bodily injury, including death, and property damage.

18.3.4 Excess Public Liability Insurance over and above the Employers' Liability Commercial General Liability and Comprehensive Automobile Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars ($20,000,000) per occurrence/Twenty Million Dollars ($20,000,000) aggregate.

18.3.5 The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Public Liability Insurance policies shall name the other Party, its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this LGIA against the Other Party Group and provide thirty (30) Calendar Days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.

18.3.6 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies

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separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.

18.3.7 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this LGIA, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.

18.3.8 The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this LGIA.

18.3.9 Within ten (10) days following execution of this LGIA, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days thereafter, each Party shall provide certification of all insurance required in this LGIA, executed by each insurer or by an authorized representative of each insurer.

18.3.10 Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.8 to the extent it maintains a self-insurance program; provided that, such Party's senior secured debt is rated at investment grade or better by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.8. For any period of time that a Party's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Articles 18.3.2 through 18.3.9. In the event that a Party is permitted to self-insure pursuant to this article, it shall notify the other Party that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 18.3.9.

18.3.11 The Parties agree to report to each other in writing as soon as

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practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this LGIA.

Article 19. Assignment

19.1 Assignment. This LGIA may be assigned by either Party only with the written consent of the other; provided that either Party may assign this LGIA without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this LGIA; and provided further that Interconnection Customer shall have the right to assign this LGIA, without the consent of Transmission Provider, for collateral security purposes to aid in providing financing for the Large Generating Facility, provided that Interconnection Customer will promptly notify Transmission Provider of any such assignment. Any financing arrangement entered into by Interconnection Customer pursuant to this article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify Transmission Provider of the date and particulars of any such exercise of assignment right(s), including providing the Transmission Provider with proof that it meets the requirements of Articles 11.5 and 18.3. Any attempted assignment that violates this article is void and ineffective. Any assignment under this LGIA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

Article 20. Severability

20.1 Severability. If any provision in this LGIA is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this LGIA; provided that if Interconnection Customer (or any third party, but only if such third party is not acting at the direction of Transmission Provider) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

Article 21. Comparability

21.1 Comparability. The Parties will comply with all applicable comparability and

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code of conduct laws, rules and regulations, as amended from time to time.

Article 22. Confidentiality

22.1 Confidentiality. Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of this LGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Article 22 warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

The release of Confidential Information shall be subject to Applicable Laws and Regulations and Applicable Reliability Standards.

22.1.1 Term. During the term of this LGIA, and for a period of three (3) years after the expiration or termination of this LGIA, except as otherwise provided in this Article 22, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

22.1.2 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this LGIA; or (6) is required, in accordance with

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Article 22.1.7 of the LGIA, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

22.1.3 Release of Confidential Information. Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this LGIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to
foregoing,
any person
shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.

22.1.4 Rights. Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

22.1.5 No Warranties. By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

22.1.6 Standard of Care. Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized

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disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this LGIA or its regulatory requirements.

22.1.7 Order of Disclosure. If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

22.1.8 Termination of Agreement. Upon termination of this LGIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.

22.1.9 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 22, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business

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interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.

22.1.10 **Disclosure to FERC, its Staff, or a State**. Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this LGIA, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this LGIA prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

22.1.11 Subject to the exception in Article 22.1.10, any information that a Party claims is competitively sensitive, commercial or financial information under this LGIA ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIA or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or

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national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

Article 23. Environmental Releases

23.1 Each Party shall notify the other Party, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Large Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

Article 24. Information Requirements

24.1 Information Acquisition. Transmission Provider and Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.

24.2 Information Submission by Transmission Provider. The initial information submission by Transmission Provider shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include Transmission System information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis Transmission Provider shall provide Interconnection Customer a status report on the construction and installation of Transmission Provider's Interconnection Facilities and Network Upgrades, including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

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24.3 Updated Information Submission by Interconnection Customer. The updated information submission by Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. Interconnection Customer shall submit a completed copy of the Large Generating Facility data requirements contained in Appendix 1 to the LGIP. It shall also include any additional information provided to Transmission Provider for the Feasibility and Facilities Study. Information in this submission shall be the most current Large Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Transmission Provider standard models. If there is no compatible model, Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If Interconnection Customer's data is materially different from what was originally provided to Transmission Provider pursuant to the Interconnection Study Agreement between Transmission Provider and Interconnection Customer, then Transmission Provider will conduct appropriate studies to determine the impact on Transmission Provider Transmission System based on the actual data submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed.

24.4 Information Supplementation. Prior to the Operation Date, the Parties shall supplement their information submissions described above in this Article 24 with any and all "as-built" Large Generating Facility information or "as-tested" performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. The Interconnection Customer shall conduct tests on the Large Generating Facility as required by Good Utility Practice such as an open circuit "step voltage" test on the Large Generating Facility to verify proper operation of the Large Generating Facility's automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Large Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Large Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Interconnection Customer shall provide validated test recordings showing the responses of Large Generating Facility terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Large Generating Facility's terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Large Generating Facility terminal or field voltages is provided. Large Generating Facility testing shall be conducted and results

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provided to Transmission Provider for each individual generating unit in a station. Subsequent to the Operation Date, Interconnection Customer shall provide Transmission Provider any information changes due to equipment replacement, repair, or adjustment. Transmission Provider shall provide Interconnection Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Transmission Provider-owned substation that may affect Interconnection Customer's Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information no later than thirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment.

Article 25. Information Access and Audit Rights

25.1 Information Access. Each Party (the "disclosing Party") shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this LGIA; and (ii) carry out its obligations and responsibilities under this LGIA. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this LGIA.

25.2 Reporting of Non-Force Majeure Events. Each Party (the "notifying Party") shall notify the other Party when the notifying Party becomes aware of its inability to comply with the provisions of this LGIA for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this LGIA.

25.3 Audit Rights. Subject to the requirements of confidentiality under Article 22 of this LGIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either Party's performance or either Party's satisfaction of obligations under this LGIA. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, Transmission Provider's efforts to allocate responsibility for the provision of reactive support to the Transmission System, Transmission Provider's efforts to allocate responsibility for interruption or reduction of generation on the Transmission System, and each Party's actions in an Emergency Condition. Any audit authorized by this article shall be performed at the offices where such accounts

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and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party's performance and satisfaction of obligations under this LGIA. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.

25.4 Audit Rights Periods.

25.4.1 Audit Rights Period for Construction-Related Accounts and Records. Accounts and records related to the design, engineering, procurement, and construction of Transmission Provider's Interconnection Facilities and Network Upgrades shall be subject to audit for a period of twenty-four months following Transmission Provider's issuance of a final invoice in accordance with Article 12.2.

25.4.2 Audit Rights Period for All Other Accounts and Records. Accounts and records related to either Party's performance or satisfaction of all obligations under this LGIA other than those described in Article 25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four months after the event for which the audit is sought.

25.5 Audit Results. If an audit by a Party determines that an overpayment or an underpayment has occurred, a notice of such overpayment or underpayment shall be given to the other Party together with those records from the audit which support such determination.

Article 26. Subcontractors

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

26.2 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this LGIA. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any

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subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Transmission Provider be liable for the actions or inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under Article 5 of this LGIA. Any applicable obligation imposed by this LGIA upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

26.3 No Limitation by Insurance. The obligations under this Article 26 will not be limited in any way by any limitation of subcontractor's insurance.

Article 27. Disputes

27.1 Submission. In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this LGIA or its performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.

27.2 External Arbitration Procedures. Any arbitration initiated under this LGIA shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this

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Article 27 shall prevail.

27.3 Arbitration Decisions. Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this LGIA and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

27.4 Costs. Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

Article 28. Representations, Warranties, and Covenants

28.1 General. Each Party makes the following representations, warranties and covenants:

28.1.1 Good Standing. Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this LGIA and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this LGIA.

28.1.2 Authority. Such Party has the right, power and authority to enter into this LGIA, to become a Party hereto and to perform its obligations hereunder. This LGIA is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms,

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except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

28.1.3 No Conflict. The execution, delivery and performance of this LGIA does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

28.1.4 Consent and Approval. Such Party has sought or obtained, or, in accordance with this LGIA will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this LGIA, and it will provide to any Governmental Authority notice of any actions under this LGIA that are required by Applicable Laws and Regulations.

Article 29. Joint Operating Committee

29.1 Joint Operating Committee. Except in the case of ISOs and RTOs, Transmission Provider shall constitute a Joint Operating Committee to coordinate operating and technical considerations of Interconnection Service. At least six (6) months prior to the expected Initial Synchronization Date, Interconnection Customer and Transmission Provider shall each appoint one representative and one alternate to the Joint Operating Committee. Each Interconnection Customer shall notify Transmission Provider of its appointment in writing. Such appointments may be changed at any time by similar notice. The Joint Operating Committee shall meet as necessary, but not less than once each calendar year, to carry out the duties set forth herein. The Joint Operating Committee shall hold a meeting at the request of either Party, at a time and place agreed upon by the representatives. The Joint Operating Committee shall perform all of its duties consistent with the provisions of this LGIA. Each Party shall cooperate in providing to the Joint Operating Committee all information required in the performance of the Joint Operating Committee's duties. All decisions and agreements, if any, made by the Joint Operating Committee, shall be evidenced in writing. The duties of the Joint Operating Committee shall include the following:

29.1.1 Establish data requirements and operating record requirements.

29.1.2 Review the requirements, standards, and procedures for data acquisition

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equipment, protective equipment, and any other equipment or software.

29.1.3 Annually review the one (1) year forecast of maintenance and planned outage schedules of Transmission Provider's and Interconnection Customer's facilities at the Point of Interconnection.

29.1.4 Coordinate the scheduling of maintenance and planned outages on the Interconnection Facilities, the Large Generating Facility and other facilities that impact the normal operation of the interconnection of the Large Generating Facility to the Transmission System.

29.1.5 Ensure that information is being provided by each Party regarding equipment availability.

29.1.6 Perform such other duties as may be conferred upon it by mutual agreement of the Parties.

Article 30. Miscellaneous

30.1 Binding Effect. This LGIA and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

30.2 Conflicts. In the event of a conflict between the body of this LGIA and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this LGIA shall prevail and be deemed the final intent of the Parties.

30.3 Rules of Interpretation. This LGIA, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this LGIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this LGIA), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this LGIA or such Appendix to this LGIA, or such Section to the LGIP or such

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Appendix to the LGIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this LGIA as a whole and not to any particular Article or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".

30.4 Entire Agreement. This LGIA, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this LGIA. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this LGIA.

30.5 No Third Party Beneficiaries. This LGIA is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

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

Any waiver at any time by either Party of its rights with respect to this LGIA shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this LGIA. Termination or Default of this LGIA for any reason by Interconnection Customer shall not constitute a waiver of Interconnection Customer's legal rights to obtain an interconnection from Transmission Provider. Any waiver of this LGIA shall, if requested, be provided in writing.

30.7 Headings. The descriptive headings of the various Articles of this LGIA have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this LGIA.

30.8 Multiple Counterparts. This LGIA may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

30.9 Amendment. The Parties may by mutual agreement amend this LGIA by a

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written instrument duly executed by the Parties.

30.10 Modification by the Parties. The Parties may by mutual agreement amend the Appendices to this LGIA by a written instrument duly executed by the Parties. Such amendment shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.

30.11 Reservation of Rights. Transmission Provider shall have the right to make a unilateral filing with FERC to modify this LGIA with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this LGIA pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this LGIA shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

30.12 No Partnership. This LGIA shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

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IN WITNESS WHEREOF, the Parties have executed this LGIA in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

El Paso Electric Company (Transmission Provider and Transmission Owner)

DocuSigned by:
Dave Hawkins
E931341DFF85425...

By: _____

Title: Vice President

1/27/2025
Date: _____

By: _____

Title: _____

Date: _____

Santa Teresa Solar, LLC (Interconnection Customer)

Signed by:
Hy Martin
8E0FE517F8984D5...

By: _____

Authorized Signatory
Title: _____

1/28/2025
Date: _____

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Appendices: Interconnection Facilities, Network Upgrades and Distribution Upgrade

Appendices to LGIA

Appendix A	Interconnection Facilities, Network Upgrades, and Distribution Upgrades
Appendix B	Milestones
Appendix C	Interconnection Details
Appendix D	Security Arrangements Details
Appendix E	Commercial Operation Date
Appendix F	Addresses for Delivery of Notices and Billings
Appendix G	Interconnection Requirements for a Wind Generating Plant

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Appendix A: Interconnection Facilities, Network Upgrades and Distribution Upgrades

Appendix A to LGIA

INTERCONNECTION FACILITIES, NETWORK UPGRADES AND DISTRIBUTION UPGRADES[2]

Description of Project

The Interconnection Customer is interconnecting two Large Generating Facilities that originated from two separate interconnection requests and were studied as part of the same cluster study. Project VE100S is a Large Generating Facility consisting of a 100 MW photovoltaic ("PV") plant and a 100 MW BESS, for a maximum requested output of 100 MW. The second project, VE50S, is a Large Generating Facility consisting of a 50 MW PV plant and a 50 MW BESS with a maximum output of 50 MW. The VE100S BESS provides up to four hours of storage (400 MWh), and the VE50S BESS provides up to four hours of storage (200 MWh) and may charge from the grid during off-peak nighttime hours (assuming customer procures the sufficient resources to accommodate the charging of the BESS. The procurement of the necessary resources for this battery will require a separate agreement, and it's not part of this LGIA). The projects are to share a single point of interconnection ("POI"), the new Verde 115 kV Substation. Both projects are to be operated by the Interconnection Customer as a single generating facility with a maximum output at the POI of 150 MW. The Interconnection Customer's proposed commercial operation date ("COD") is December 5, 2025.

Project VE100S is comprised of 40 x2.7MVA TMEIC solar inverters/transformer stations (100MW ac total) and 28 x SMA 4MVA inverters/transformer stations (100 MWac / 400MWh total)[3] connected to a 34.5 kV collector system, and two12 MVAR shunt capacitors as well as one 117/156/195 MVA 34.5kV/115kV GSU. Project VE50S is comprised of 20 x 2.7MVA

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[2] Transmission Provider's Transmission System was studied and evaluated assuming that senior requests and equal-queued requests, and the facilities identified by Transmission Provider as necessary for such requests, will be in effect and in service. This LGIA and its Appendices and Schedules are subject to change, based upon changes to such circumstances and project queue positions.

[3] Added by Material Modification Assessment approved by EPE on October 1, 2024.

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TMEIC Inverters/transformer stations (50 MWac total) and 14 x SMA 4MVA inverters/transformer stations (50 MWac / 200MWh total)[4] connected to a 34.5 kV collector system, and two 5-MVAR shunt capacitor banks. The 34.5 kV collector voltage will be stepped up to the 115 kV EPE Transmission System voltage via a single 115/34.5 kV 117/156/195 MVA GSU, which is shared with VE100S. The requested POI requires a new 115kV substation (Verde 115 kV Substation) between EPE's Santa Teresa and Diablo substations.

VE100S and VE50S are adjacent to each other, and the electricity generated by each of them will run through the same step-up transformer and will share the same gen-tie transmission line to a single POI on EPE's 115kV Transmission System. VE100S will run two 34.5kV lines and VE50S will run a single 34.5kV line to a single 115/34.5 kV step-up transformer. A single 115 kV overhead gen-tie line, less than 1 mile in length, will then connect both the VE100S and VE50S Project to the Verde 115 kV POI substation (by connecting the two projects to the Verde substation via such single 115 kV overhead line). The foregoing facilities are depicted in Figure C-1 on Appendix C.

The Transmission Provider's revenue meter will measure the aggregate generation delivered from both the VE100S and VE50S Large Generating Facilities and Transmission Provider will not be able to, nor obligated to, differentiate as to which of VE100S and VE50S Large Generating Facilities generated such delivered electricity.

The Transmission Provider will provide all operating instructions and other communication related to the Generating Facility and the BESS to the Interconnection Customer's contact listed in Appendix F.

Figure A-1 shows the POI.[5]

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[4] Added by Material Modification Assessment approved by EPE on October 1, 2024.
[5] Both VE100S and VE50S requested interconnection to the same substation.

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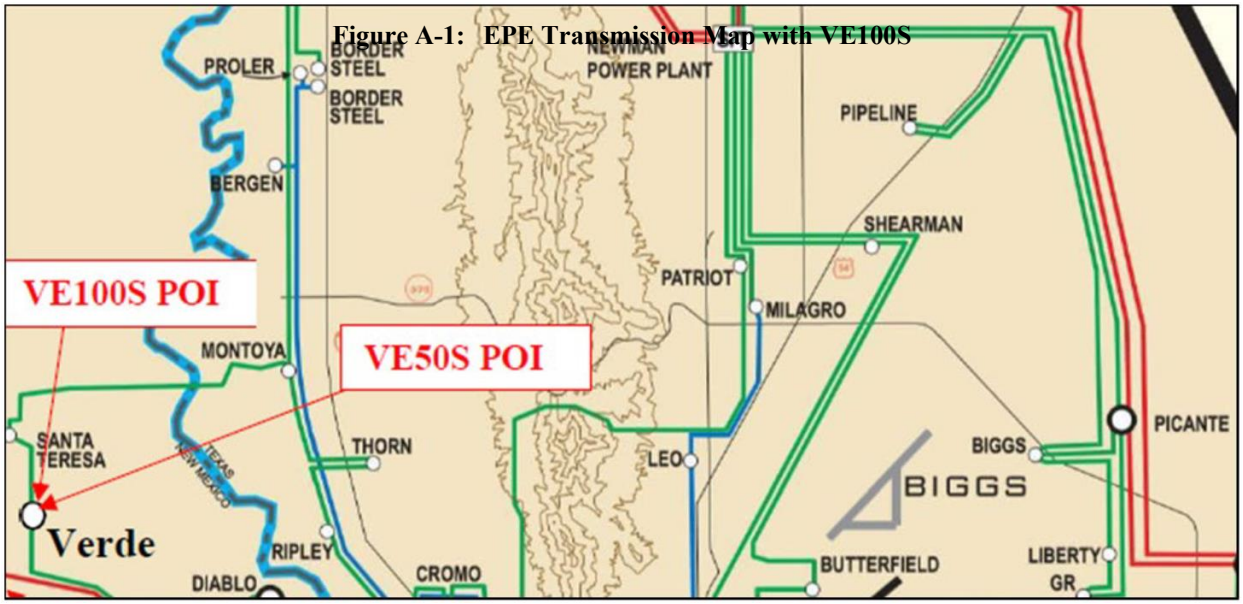


Figure A-1: EPE Transmission Map with VE100S

I. INTERCONNECTIONFACILITIES

A. Interconnection Customer's Interconnection Facilities

Interconnection Customer's Interconnection Facilities are facilities that will be engineered, procured, constructed, owned, operated, and maintained by Interconnection Customer at its expense. The Interconnection Customer's Interconnection Facilities shall include:

All Interconnection Facilities from the generating facilities up to the Point of Change of Ownership ("PCO"). The PCO is the dead-end pole that connects the interconnection line into the POI substation. The Interconnection Customer's Interconnection Facilities include all generator step-up transformers, breakers, and any VAR support equipment needed to integrate the VE100Sand VE50S projects.

The major Interconnection Customer's Interconnection Facilities required for the interconnection of VE100S and VE50S are provided in Table A-1 below.

Table A-1: Interconnection Customer's Interconnection Facilities	
Transmission Line	Gen-tie line from the Large Generating Facility to the Point of Change of Ownership
VE100S Capacitive Support	24 MVAR shunt capacitors are required to maintain the required leading and lagging 0.95 power factor.
VE50S Capacitive Support	10 MVAR shunt capacitors required to maintain the required leading and lagging 0.95 power factor

B. Transmission Provider's Interconnection Facilities

Transmission Provider's (EPE) Interconnection Facilities are facilities from the Point of Change of Ownership to the Point of Interconnection, paid for by the Interconnection Customer but owned and operated by EPE. The following facilities to be installed are designated as Transmission Provider's Interconnection Facilities:

Facilities from the interconnection line dead-end structure to the Point of Interconnection (including the pole, conductor from the pole to the Point of Interconnection, the revenue metering equipment, and the Phasor Measurement Unit).

The major EPE Interconnection Facilities required for the interconnection of VE100S and VE50S are provided in Table A-2 below.

Table A-2: Transmission Provider Interconnection Facilities		
VE100S & VE50S Sub Connection	Substation	Breaker and switches to accommodate the transmission line from the VE100S and VE50S Generating Facility
VE100S & VE50S Gen Facility Tie-in	Transmission	Tie-in the IC's 115 kV transmission line from the VE100S and VE50S Generating Facility into the Verde 115 kV substation
Metering	Substation	between the POI and the interconnection line for all projects
Phasor Measurement Unit	Substation	between the POI and the interconnection line for all projects

II. NETWORK UPGRADES

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Network Upgrades are facilities from the Point of Interconnection out to the transmission paid for by the Interconnection Customer(s) but owned and operated by EPE.

Network Upgrades shall mean additions, modifications, and upgrades to the transmission system to accommodate the interconnection of the generating facility.

The following facilities, shown in Table A-3, to be installed for NRIS interconnection service to the Interconnection Customer are designated as Network Upgrades:

A-3: Network Upgrade Facilities		
Verde Substation	Substation	115 kV substation at POI (Verde 115 kV Substation)
Substation Breaker Replacements	Substation	Replacing two circuit breakers at the Austin 115 kV substation. This will resolve potential short circuit overloads which affect the existing equipment.
Diablo – Santa Teresa Tie-in Transmission		Tying the existing Diablo – Santa Teresa transmission line into the Verde 115 kV substation

Detailed identifications, as between the Transmission Provider and the Interconnection Customer, regarding Network Upgrades versus Stand Alone Network Upgrades will be addressed between the Parties. Engineering, design, procurement and construction of System Protection & Control and communications equipment and facilities are among the not considered Stand Alone Network Upgrades. In addition, activities associated with tying in any Network Upgrades or Stand Alone Network Upgrades to the Transmission Provider's transmission system are among the activities not considered Stand Alone Network Upgrades.

DISTRIBUTION FACILITIES:

NONE. [6]

[6] Not Applicable to this Agreement with the exception of station service equipment and facilities.

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Appendix B: Milestones

Appendix B to LGIA
MILESTONES[7]

Interconnection Customer's Milestones: (includes activities per Art. 5.5.2, 5.5.3, 5.6.3, 5.6.4 and 11.5)

Effective date of the LGIA **unless FERC**	**Upon execution by both parties,[9]**	**Both Parties**
Interconnection Customer to provide $500,000 to EPE in the form of a letter of credit, or other form of security that is reasonably acceptable to EPE,[10] for preliminary design work (including engineering work), and partial procurement associated with Transmission Provider Facilities and Network Upgrades. Interconnection Customer is to provide, at the same time, written authorization for Transmission Provider to proceed with such work.	**designates a different effective date.** **Completed.**	**Interconnection Customer**

[7] Unless waived as provided in Article 1 of this LGIA (see definition of Interconnection Customer).

[8] The dates shown related to construction activities, backfeed, trial operation, etc. are estimates. Delays may be encountered for a variety of reasons, including, but not limited to right of way acquisition, permitting, inclement weather that impedes construction, the inability to take line outages due to reliability or other reasons, delays in the posting of financial security, whether work is suspended by the Interconnection Customer, etc. The Transmission Provider typically does not permit transmission line outages from mid-May to late September.

[9] If the LGIA is unexecuted and the Interconnection Customer requests that EPE file the unexecuted LGIA with the Federal Energy Regulatory Commission (FERC), the effective date shall be the date designated by the FERC.

[10] The amounts of financial security identified in Appendix B are subject to change, upon notice by Transmission Provider, depending upon changes in senior or equal-queued requests. At the time this LGIA is being executed by the parties, the amounts of financial security shown above in Appendix B have been submitted to EPE

Certification by each Party of satisfaction of all insurance requirements (per Art. 18.3.9)	**Completed.**	**Both Parties**
Interconnection Customer to provide additional financial security payment for $10,205,000[11] to EPE in the form of a letter of credit, or other form of security that is reasonably acceptable to EPE, for the construction of Transmission Provider's Interconnection Facilities and Network Upgrades and additional procurement. Interconnection Customer is to provide, at the same time, written authorization for Transmission Provider to proceed with such work.	**Completed.**	**Interconnection Customer**
Submission of initial specifications for the Interconnection Customer's Interconnection Facilities under Art. 5.10.1, Information Submission of Transmission Provider under Art. 24.2, and Updated Information Submission of Interconnection Customer under Art. 24.3	**completed, but in no event later than April 9, 2025**	**Both Parties**
Submission of final specifications for the Interconnection Customer's Interconnection Facilities (per Art. 5.10.1)	**No later than 90 calendar days following tender of initial specifications, and at least 90 calendar days prior to Trial Operation/Initial Synchronization Date**	**Interconnection Customer**

[11] As the Interconnection Customer pays for Interconnection Facilities and Network Upgrades, the amount of financial security that it must maintain will be reduced.

Control Area written notification by Customer (per Art. 9.2)	**At least three months before back feed power date**	**Interconnection Customer**
Back feed power	**No earlier than three months before Commercial Operation Date**	**Interconnection Customer, with Transmission Provider's consent**
Operation start and Initial Synchronization Date, including export power testing sequence start	**30 calendar days following the back-feed power date**	**Interconnection Customer, with Transmission Provider's consent**
Commercial Operation Date[12] (COD):	**13 December 5, 2025**	**Interconnection Customer**

[12] The ability to take line outages to permit COD activities may be impeded due to reliability or other reasons. The Interconnection Customer agrees that it will pay for costs associated with taking line outages necessary to install interconnection facilities and network upgrades and to permit testing of the Interconnection Customer's Generating Facility. Such costs may include redispatch costs and expenses associated with additional line losses.

[13] This COD date represents the Interconnection Customer's first requested COD extension, modified from the original COD of June 1, 2024.

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Appendix C to LGIA

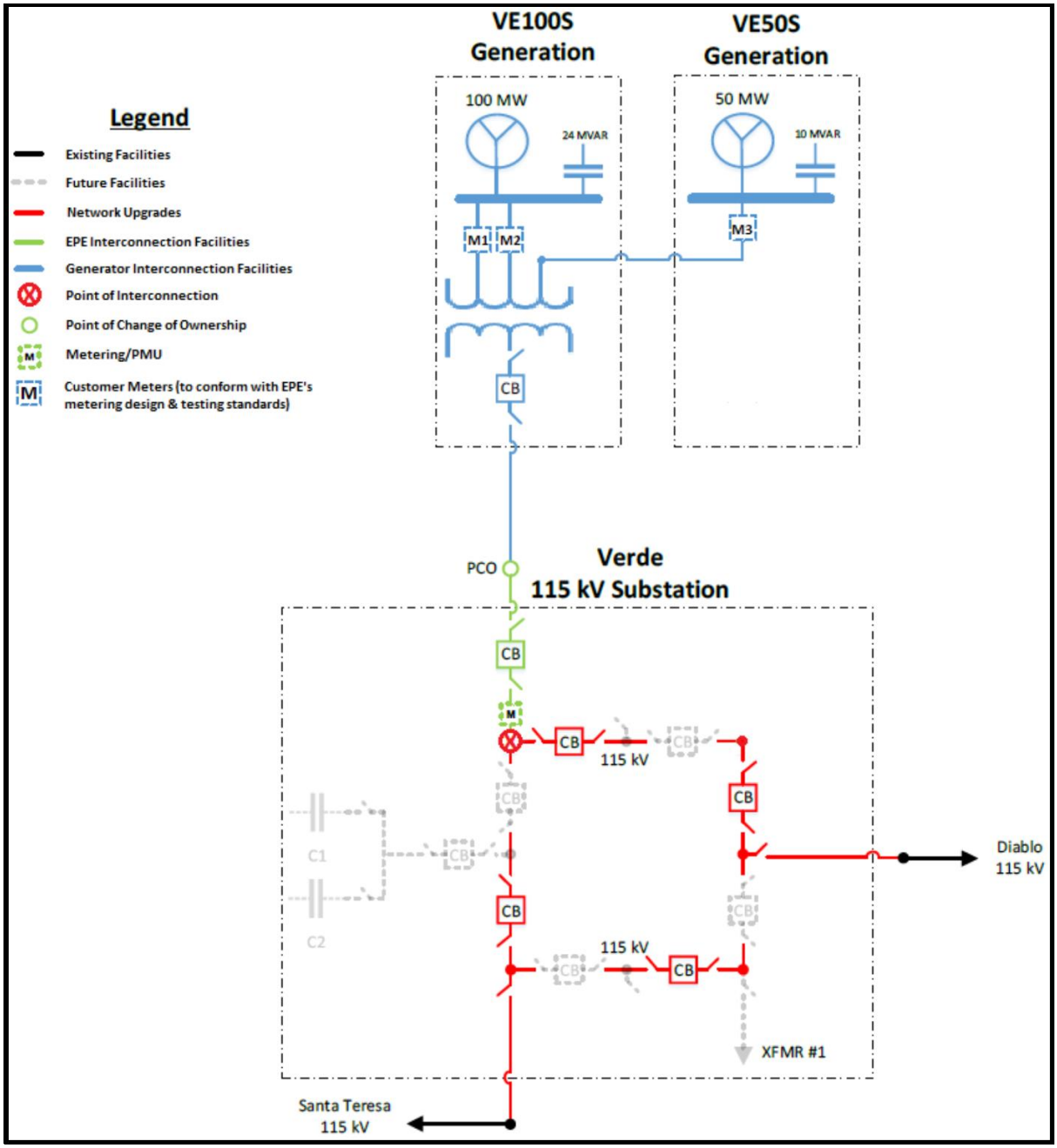
INTERCONNECTION DETAILS

At the time this Interconnection Agreement is being entered into, VE100S and VE50S are the two (2) Cluster Projects requesting Network Resource Interconnection Service. The requested for the two projects requires a 115kV substation (Verde 115 kV Substation) between the existing Santa Teresa and Diablo substations.

Figure C-1 shows the layout of the Verde 115 kV substation connecting the VE100S and VE50S Generating Facilities and intersecting the Diablo to Santa Teresa 115 kV transmission line.

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Figure C-1: VE100S and VE50S POI Connection and Configuration



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I. ASSUMPTIONS AND COST ESTIMATES[14]

The following key assumptions were identified regarding the facilities required for the interconnection of the Cluster Projects:

1. All active senior-queued projects and facility upgrades were assumed to be in service prior to beginning construction on Network Upgrades attributed to the Cluster Projects.

2. The cost estimates and project schedules do not include Interconnection Customer Interconnection Facilities.

3. All prior queued project facility upgrades are assumed to be timely placed in service prior to the construction of this project. Changes in senior queued and changes to equal-queued requests in the same Cluster may affect the timing and cost of interconnection for the Cluster Projects. Transmission Provider will notify Interconnection Customer of impacts on costs and/or timing of its proposed interconnection resulting from changes in senior-queued or equal-queued requests. Interconnection Customer is responsible for its allocated share of actual costs.

Any deviation from these assumptions may have substantial impacts to the project cost and/or schedule.

General Assumptions

The general assumptions made in developing the cost estimates for the substations within the Cluster and other transmission facilities:

1. Cost estimates provided are good faith "scoping estimates" based on 2020 dollars; no escalation or discount rates were included.

[14] The costs shown in this LGIA are simply estimates. The Interconnection Customer is responsible for paying the actual costs of interconnection facilities and network upgrades.

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2. No state, county or city taxes were included.

3. Contingency for substation facilities were assumed to be 20% of the total material, labor, engineering, and construction management costs.

4. Contingency for transmission facilities were assumed to be 10% of the total material, labor, engineering, and construction management costs.

5. Contingency for land acquisition/easements and environmental services/permitting were assumed to be 25% of the total incurred costs.

6. Estimates were based on equipment and configuration shown in substation layouts.

7. Direct costs for EPE are included in the cost estimates at 6% of the project total rounded up to the nearest thousand. Direct costs may include, but are not limited to EPE program management, project management and costs. Actual direct costs may differ from the estimated value.

A. SUBSTATIONS FOR THE CLUSTER

Verde 115 kV Substation

A 115 kV substation will need to be constructed for the interconnection of the two Cluster Projects – the VE50S and VE100S Generating Facilities - to EPE's transmission system. The substation will be designed as an 8-position ring bus configuration switchyard. This project will include the installation of four (4) circuit breakers on the ring, eight (8) 115 kV disconnect switches on the bus, and two (2) line switches will be installed to isolate the equipment. A control enclosure, and the associated protection, metering, and control equipment for the bays and transmission lines are part of the Network Upgrades. One (1) circuit breaker, one (1) isolating disconnect switch, and one (1) line switch will be installed on the transmission line terminals that connect to the VE50S and VE100S Generating Facilities. The substation will also have accommodations for four (4) future elements. The Interconnection Customer is not responsible for funding those four future elements.

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Figure C-1 shows the layout of the Verde 115 kV substation connecting the Generating Facilities and intersecting the Diablo to Santa Teresa 115 kV transmission line. The Network Upgrades (shown in red below) include any additions, modifications, and upgrades to the EPE Transmission System to accommodate the interconnection. The cost estimates also include the EPE Interconnection Facilities (shown in green below) required to interconnect VE100S and VE50S. These include, for example, the transmission facilities between the VE100S and VE50S shared interconnection line dead-end structure and the termination point at the Verde 115 kV substation bus, as well as revenue metering and phasor measurement between the POI and the interconnection line.

Design and Construction Assumptions

The Interconnection Facilities and Network Upgrade design and construction assumptions are listed below. To the extent any of these assumptions is later to be incorrect, the cost estimate may need to change. As detailed engineering and design proceeds after this LGIA becomes effective, the Transmission Provider may make adjustments to the assumptions identified in this LGIA, including adjustments to structure and equipment type:

1. The project will require the installation of six (6) 115 kV 2000A Gang Operated Breakers.
2. Ten (10) 2000A "Vee" type Switches for the bus and four (4) 2000A "Vee" type switches for the lines will be installed.
3. Four (4) H-frame Dead-end structures will be installed to accommodate the lines to Diablo and Santa Teresa and the connection to the VE50S and VE100S generators.
4. This substation facility at the POI will be built in a 530' x 500' substation fenced area.
5. Access to this facility was assumed adequate for the installation.
6. Grading and Foundation installations were assumed not to include any shale rock excavation.

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7. Owner standard structures with loading criteria will be used for foundation design.
8. The remote end line protection at Diablo and Santa Teresa will have to match the protection for this installation.
9. Primary and backup sources for station power will be installed in each of the busses at this substation.

Ground Grid was estimated to be installed as a 30' x 30' grid. Ground grid will be designed using 4/0, 19 strand bare copper. Final ground grid conductor spacing will be determined based on the ground grid study.

11. Estimate assumed that Communications to the site will be via OPGW. Final pricing will depend on detail engineering.
12. A 16' x 40' Prefabricated Drop-in control equipment enclosure will be included in the design to enclose all protection and control equipment for the transmission lines, substation equipment and the connection to the generators.
13. The protection relaying scheme of the VE100S and VE50S Generator Interconnection Facilities connecting to EPE's facilities will be the responsibility of the Interconnection Customer.

Table C-1 shows the cost estimate for the design and construction of the EPE Interconnection Facilities associated with interconnecting the VE100S and VE50S Large Generating Facilities to the Verde 115 kV substation.

Table C-1: VE100S and VE50S POI 115 kV Substation – EPE Interconnection Facilities Cost Estimate

	Material Cost	Contract Labor	Engineering	Construction	To
Substation	$130,000	$113,000	$25,000	$25,000	$293,000
System Protection & Control	$466,000	$121,000	$59,000	$59,000	$705,000
Contingency (20% Substation)	$120,000	$47,000	$17,000	$17,000	$201,000
EPE Direct Cost (6%)	$36,000	$15,000	$6,000	$6,000	$63,000
Total Design and Construction Cost	**$752,000**	**$296,000**	**$107,000**	**$107,000**	**$1,262,000**

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C-2 shows the cost estimate for the design and construction of the POI Substation Network Upgrades required by the proposed interconnections.

Table C-2: Verde POI 115 kV Substation – Network Upgrade Cost Estimate

Item	Material Cost	Contract Labor	Engineering	Construction	To
Substation $5,199,000	$2,820,000	$1,511,000	$434,000		$434,000
System Protection & Control $74,000 $882,000		$453,000	$281,000	$74,000	
Contingency (20% Substation) $102,000 $1,218,000		$655,000	$359,000	$102,000	
EPE Direct Cost (6%) $367,000	$197,000	$108,000	$31,000		$31,000
Total Design and Construction Cost $641,000 $7,666,000		**$4,125,000**	**$2,259,000**	**$641,000**	

The Verde 115 kV substation will be located on land that EPE currently owns. As a result, no additional land acquisition/easements were assumed to be required for Verde 115 kV substation.

Environmental services/permitting were assumed not to be required for the Verde 115 kV substation required to facilitate the VE50S and VE100S generation interconnections.

Table C-3 shows the total Network Upgrade cost estimate is $7,666,000 for the Verde 115 kV Substation.

Table C-3: Verde POI 115 kV Substation – Total Network Upgrade Cost Estimate

Network Upgrades - Design & Construction $367,000 $7,666,000	$3,273,000	$1,792,000	$508,000	$508,000	$1,218,000	
Network Upgrades - Land Acquisition $0	$0	$0	$0	$0	$0	
Network Upgrades – Environmental Services $0	$0	$0	$0	$0	$0	
Total Verde Network Upgrade Cost $367,000 $7,666,000	**$3,273,000**	**$1,792,000**	**$508,000**	**$508,000**	**$1,218,000**	

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Substation Breaker Replacements

The results of the System Impact Study showed that the Cluster Projects will cause two 115 kV circuit breakers at the Austin substation to exceed their interrupting capability.

Design and Construction Assumptions

The Network Upgrade design and construction assumptions are listed below. To the extent any of these assumptions is later determined to be incorrect, the cost estimate may need to change:

1. The project will require the installation of two (2) 115 kV 2000A Gang Operated Breakers at the Austin Substation.

Table C-4 shows the cost estimate for the design and construction of the Network Upgrades associated with the substation breaker replacements.

Table C-4: Substation Breaker Replacements – Network Upgrade Cost Estimate

Item	Material Cost	Contract Labor	Engineering	Construction	
Substation	$23,000	$37,000	$6,000	$6,000	$72,000
System Protection & Control		$210,000	$53,000	$27,000	$27,000 $317,000
Contingency (20% Substation)		$47,000	$18,000	$7,000	$7,000 $79,000
EPE Direct Cost (6%)		$14,000	$6,000	$2,000	$2,000 $24,000
Total Design and Construction Cost		**$294,000**	**$114,000**	**$42,000**	**$42,000 $492,000**

The required equipment additions will be located within the footprint of the existing Austin substation. As a result, no additional land acquisition/easements were assumed to be required.

Environmental services/permitting were assumed not to be required for the Austin substation modifications.

The cost estimate to replace the two (2) circuit breakers is shown in Table C-5 below. The total Substation Network Upgrade cost estimate for this project is $492,000.

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Table C-5: Substation Breaker Replacements – Total Network Upgrade Cost Estimate

Item	Material	Labor Cost		Construction	Contingency	EPE Direct	T
Network Upgrades - Design & Construction	$233,000	$90,000	$33,000	$33,000	$79,000	$24,000	$492,000
Network Upgrades - Land Acquisition	$0	$0	$0	$0	$0	$0	$0
Network Upgrades – Environmental Services	$0	$0	$0	$0	$0	$0	$0
Total Substation Breaker Replacement Network Upgrade Cost	**$233,000**	**$90,000**	**$33,000**	**$33,000**	**$79,000**	**$24,000**	**$492,000**

B. TRANSMISSION LINES

Verde 115 kV Tie-ins

The following sections describe the assumptions and cost estimate for tying the shared VE50S and VE100S gen-tie line into the POI substation. They also describe the assumptions and cost estimate for tying in the Diablo – Santa Teresa 115 kV transmission line.

Design and Construction Assumptions and Cost Estimate

In addition to the general cost estimate assumptions listed in Section III. A, the following specific assumptions apply to the design and construction of the EPE Interconnection Facilities required for all of the tie-ins that will be conducted at the POI substation. Engineering and design work to occur subsequently may result in changed assumptions.

1. One steel monopole dead-end structure will be required to bring the Interconnection Customer's 115 kV gen-tie line from the VE50S and VE100S Generating Facilities into the POI 115 kV substation.
2. Two single circuit three-pole dead-end structures will be required to terminate the existing Diablo – Santa Teresa 115 kV transmission line at the 115 kV

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POI substation. No other modifications to existing structures on the Diablo-Santa Teresa 115 kV transmission line were assumed to be necessary.

3. The conductors shall be 954 kcmil "Rail" single ACSR per phase.
4. All hardware assemblies shall use EPE standard polymer insulators with compression dead-end connections.
5. Ruling Span: 400'
6. Loading: NESC Light District, NESC Medium District, and EPE standards.
7. Maximum Conductor Operating Temperature: 212°F
8. Design tension conductor: 25% RBS maximum under NESC Medium and 25% RBS maximum under NESC Light.
9. Shield wire: 3/8" 7-strand steel EHS wire and SFPOC/SFSJ-J-4062 OPGW.
10. Design tension shield wire: 80% of conductor sag under 60°F Normal Conditions.
11. Dead-end Structure Design: Self-supported single circuit steel monopole structure on concrete drilled shafts for the Interconnection Facilities and self-supported steel three-pole structures on concrete drilled shafts for the Network Upgrades.
12. Structure Height: Monopole dead-end structure is 60' total length.
    a. Foundation utilizes reinforced drilled piers with anchor bolt cages. Estimated foundation diameter is 6' and estimated foundation depths are 25'.
13. Structure Height: Three-pole dead-end structures are 60' total length. Monopole dead-end structures are 75' total length.
    a. Foundations utilize reinforced drilled piers with anchor bolt cages.
        i. Estimated foundation diameters for three-pole deadend structures are 6' and estimated foundation depths are 15'.
14. Foundation sizes and costs were estimated based on data from other projects previously performed in the area.
15. All structures are to be galvanized and estimated cost per pound of steel is $1.95/lb.

Cost Estimate

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The cost estimate of the EPE Interconnection Facilities required to connect the VE50S and VE100S Generating Facility into the 115 POI kV substation are shown in shown in Table C-6 below.

Table C-6: VE100S & VE50S Generating Facilities 115 kV Tie-In – EPE Interconnection Facilities Cost Estimate

	Material		
Structure Costs	$36,000	$30,000	$66,000
Foundation Costs	$19,000	$25,000	$44,000
Installed Wires	$8,000	$102,000	$110,000
Construction Incidentals	$0	$100,000	$100,000
Engineering	$0	$16,000	$16,000
Construction Management	$0	$20,000	$20,000
Contingency (10%)	$7,000	$30,000	$37,000
EPE Direct Cost (6%)	$4,000	$10,000	$14,000
Total Design and Construction	**$74,000**	**$333,000**	**$407,000**

The cost estimate of the Network Upgrades required to tie-in the existing Diablo – Santa Teresa 115 kV transmission lines into the 115 kV POI substation is shown in Table C-7 below.

Table C-7: Diablo – Santa Teresa Tie-in – Network Upgrade Cost Estimate			
Structure Costs	$72,000	$104,000	$176,000
Foundation Costs	$136,000	$139,000	$275,000
Installed Wires	$28,000	$108,000	$136,000
Construction Incidentals	$0	$100,000	$100,000
Engineering	$0	$35,000	$35,000
Construction Management	$0	$42,000	$42,000
Contingency (10%)	$24,000	$53,000	$77,000
EPE Direct Cost (6%)	$15,000	$22,000	$37,000
Total Design and Construction	**$275,000**	**$603,000**	**$878,000**

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C. COST SUMMARY

Total Cost Summary[15]

The total cost estimates for the EPE Interconnection Facilities are presented in Table C-8, and the total cost estimates for Network Upgrades are summarized in Table C-9.

Table C-8: Total EPE Interconnection Facilities Cost Estimate

Item	Material Cost	Labor Cost	Engineering	Construction Management	Contingency	EPE Direct	Total
VE100S & VE50S Sub Connection	$596,000	$234,000	$84,000	$84,000	$201,000	$63,000	$1,262,000
VE100S & VE50S Gen Facility Tie-in	$63,000	$257,000	$16,000	$20,000	$37,000	$14,000	$407,000
Total EPE Interconnection Facilities Cost	**$659,000**	**$491,000**	**$100,000**	**$104,000**	**$238,000**	**$77,000**	**$1,669,000**

Table C-9: Total Network Upgrades Cost Estimate

Item	Total
Verde Network Upgrades: See Tables C-2 and C-3 for details	$7,666,000
Austin Network Upgrades: See Tables C-4 and C-5 for details	$492,000
Diablo-Santa Teresa Tie-Ins: See Table C-7 for details	$878,000
Total Network Upgrades – Cost Estimate	**$9,036,000**

[15] The tables in Appendix C are based on estimates developed in early-to-mid 2020 and have not been adjusted for inflation or other price increases experienced since that time, including, for example, price increases in materials and equipment.

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Appendix D: Security Arrangements Details

Appendix D to LGIA

Security Arrangements Details

Infrastructure security of Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day Transmission System reliability and operational security. FERC will expect all entities, including Transmission Providers, market participants, and Interconnection Customers interconnected to the Transmission System to comply with the Reliability Standards promulgated by FERC and administered by the North American Electric Reliability Corporation (NERC) and associated Regional Reliability Organizations (RRO). In EPE's service territory, the RRO is the Western Electricity Coordinating Council (WECC).

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Appendix E: Commercial Operation Date

Appendix E to LGIA

Commercial Operation Date

This Appendix E is a part of the LGIA between Transmission Provider and Interconnection Customer.

[Date]

Roberto Favela
P.O. Box 982 – LOC 751
El Paso, Texas 79960

Re: Santa Teresa Solar, LLC Large Generating Facility

Dear _____:

On **[Date] Santa Teresa Solar, LLC** has completed Trial Operation of VE100S and VE50S. This letter confirms that Santa Teresa Solar, LLC commenced Commercial Operation of VE100S and VE50S at the Large Generating Facility, effective as of [**Date plus one day**].

Thank you.

[Signature]

[Interconnection Customer Representative]

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Appendix F: Addresses for Delivery of Notices and Billings

Appendix F to LGIA

Addresses for Delivery of Notices and Billings

Notices:

Transmission Provider: El Paso Electric Company

EPE System Planning & Interconnections
Attn: **Donna A. Enriquez**
P.O. Box 982 – LOC 751
El Paso, Texas 79960
Tel: (915) 543-4386
Email: donna.alhakeem@epelectric.com

EPE System Planning & Interconnections
Attn: **Roberto Favela**
P.O. Box 982 – LOC 751
El Paso, Texas 79960
Tel: (915) 521-4418
Email: roberto.favela@epelectric.com

Interconnection Customer:

Operating Instructions:

Santa Teresa Solar, LLC
Attn: Daniel Wang 575
Fifth Ave, 24th Fl.
New York, NY 10017
Email: DESRI-notices@deshaw.com

Billings and Payments

Santa Teresa Solar, LLC
Attn: Accounts Payable
575 Fifth Ave, 24th Fl.
New York, NY 10017
Email: desri-santa-teresa@world.deshaw.com

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Appendix G: Interconnection Requirements for a Wind Generating Plant

Appendix G to LGIA
Interconnection Requirements for a
Wind Generating Plant

Appendix G sets forth requirements and provisions specific to a wind generating plant. All other requirements of this LGIA continue to apply to wind generating plant interconnections.

A. Technical Standards Applicable to a Wind Generating Plant

i. Low Voltage Ride-Through (LVRT) Capability

A wind generating plant shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard below. The LVRT standard provides for a transition period standard and a post-transition period standard.

Transition Period LVRT Standard

The transition period standard applies to wind generating plants subject to FERC Order 661 that have either: (i) interconnection agreements signed and filed with the Commission, filed with the Commission in unexecuted form, or filed with the Commission as non-conforming agreements between January 1, 2006 and December 31, 2006, with a scheduled in-service date no later than December 31, 2007, or (ii) wind generating turbines subject to a wind turbine procurement contract executed prior to December 31, 2005, for delivery through 2007.

1. Wind generating plants are required to remain in-service during three-phase faults

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with normal clearing (which is a time period of approximately 4 - 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles at a voltage as low as 0.15 p.u., as measured at the high side of the wind generating plant step-up transformer (i.e. the transformer that steps the voltage up to the transmission interconnection voltage or "GSU"), after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system.

2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.
3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.
4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr Compensator, etc.) within the wind generating plant or by a combination of generator performance and additional equipment.

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5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

Post-transition Period LVRT Standard

All wind generating plants subject to FERC Order No. 661 and not covered by the transition period described above must meet the following requirements:

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 - 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system. A wind generating plant shall remain interconnected during such a fault on the transmission system for a voltage level as low as zero volts, as measured at the high voltage side of the wind GSU.
2. This requirement does not apply to faults that would occur between the wind

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generator terminals and the high side of the GSU.

3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.

4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr Compensator) within the wind generating plant or by a combination of generator performance and additional equipment.

5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

ii. <u>Power Factor Design Criteria (Reactive Power)</u>

The following reactive power requirements apply only to a newly interconnecting wind generating plant that has executed a Facilities Study Agreement as of the effective date of the Final Rule establishing the reactive power requirements for non-synchronous generators in section 9.6.1 of this LGIA (Order No. 827). A wind generating plant to which this provision applies shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this LGIA, if the Transmission Provider's System Impact Study shows that such a requirement is necessary to ensure safety or reliability. The power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability

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(taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by the Transmission Provider, or a combination of the two. The Interconnection Customer shall not disable power factor equipment while the wind plant is in operation. Wind plants shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the System Impact Study shows this to be required for system safety or reliability.

iii. Supervisory Control and Data Acquisition (SCADA) Capability

The wind plant shall provide SCADA capability to transmit data and receive instructions from the Transmission Provider to protect system reliability. The Transmission Provider and the wind plant Interconnection Customer shall determine what SCADA information is essential for the proposed wind plant, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability in its area.

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Appendix 7 INTERCONNECTION PROCEDURES FOR A WIND GENERATING PLANT

APPENDIX 7 TO LGIP

INTERCONNECTION PROCEDURES FOR A WIND GENERATING PLANT

Appendix G sets forth procedures specific to a wind generating plant. All other requirements of this LGIP continue to apply to wind generating plant interconnections.

A. Special Procedures Applicable to Wind Generators

The wind plant Interconnection Customer, in completing the Interconnection Request required by section 3.3 of this LGIP, may provide to the Transmission Provider a set of preliminary electrical design specifications depicting the wind plant as a single equivalent generator. Upon satisfying these and other applicable Interconnection Request conditions, the wind plant may enter the queue and receive the base case data as provided for in this LGIP.

No later than six months after submitting an Interconnection Request completed in this manner, the wind plant Interconnection Customer must submit completed detailed electrical design specifications and other data (including collector system layout data) needed to allow the Transmission Provider to complete the System Impact study.

Tariff Submitter:	El Paso Electric Company
FERC Tariff Program Name:	FERC FPA Electric Tariff
Tariff Title:	Open Access Transmission Tariff
Tariff Record Proposed Effective Date:	September 1, 2025
Tariff Record Title:	OATT, Nonconforming Service Agreements, Service Agreement No. 423, Long-Term Firm 0.0.0
Option Code:	A
The Entity Receiving Service Under the Agreement:	El Paso Electric Company
Brief Description of the Service Agreement:	Long-Term Firm Point-To-Point Transmission Service Agreement between EPE and Tri-State Generation and Transmission Association, Inc.

Long-Term
Firm Point-To-Point Transmission Service Agreement

1.0 Parties

This Long-Term Firm Point-to-Point Transmission Service Agreement ("Service Agreement"), dated as of the 10th of July, 2025, is entered into, by and between El Paso Electric Company ("EPE" or "Transmission Provider"), and Tri-State Generation and Transmission Association, Inc. ("Tri-State" or "Transmission Customer"), collectively "Parties").

EPE is engaged in the generation, transmission and distribution of electricity in the states of New Mexico and Texas, and in the generation and transmission of electricity in the State of Arizona. Tri-State is engaged in the generation and transmission of electricity in several states including the state of New Mexico, which it sells at wholesale to various New Mexico member cooperatives.

2.0 Legacy Agreement Among the Parties

Transmission Provider and Transmission Customer, as successor-in-interest to Plains Electric Generation and Transmission Cooperative, Inc., have been parties to a 30-year long-term transmission service agreement effective since September 1, 1995 and expiring on September 1, 2025 ("Legacy Agreement").[1] Pursuant to the Legacy Agreement, Transmission Provider provides transmission service to Transmission Customer through EPE's transmission system in southern New Mexico where Transmission Customer serves load located on third-party transmission systems. The service Transmission Customer receives from Transmission Provider allows Transmission Customer to serve its member cooperatives in southern New Mexico. Transmission Provider's ability to provide service to Transmission Customer is dependent, in part, on Transmission Provider's rights to firm transmission capacity on the Southern New Mexico Transmission System.[2] Transmission Provider is currently providing long-term firm transmission service to Transmission Customer under the Legacy Agreement in the amounts, and at the points, identified below, and Transmission Customer seeks to continue receiving such service beyond the expiration of the Legacy Agreement:

48 MW from a Point of Receipt at the Springville 345 kV bus to a Point of Delivery at the Las Cruces 115 kV bus; and

[1] The Legacy Agreement was placed on file and approved by Federal Energy Regulatory Commission ("FERC") in Docket No. ER95-423-000.

[2] *See* EPE FERC Rate Schedule No. 78, the Southwest New Mexico Transmission Project Participation Agreement, as amended.

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2 MW from a Point of Receipt at the Springerville 345 kV bus to a Point of Delivery at the Oro Grande 115 kV bus.

The firm transmission service under the Legacy Agreement is limited to 50MWs annually. Further, the Legacy Agreement sets a single transmission service rate per kw/month regardless of the points of service, with increases to the rate over the life of the agreement.[3] The billing for the services is computed based on metered service.[4]

The Legacy Agreement provides that the Parties intend to enter into a successor agreement, providing for comparable service terms, conditions of service and pricing provisions in accordance with the firm transmission service rate accepted by the Federal Energy Regulatory Commission ("FERC") at the time.[5] As a result, the Parties are entering into the instant Service Agreement and agree to the terms specified herein and in EPE's Open Access Transmission Tariff ("OATT").

3.0 Terms of the Service Agreement

(a) In accordance with the provisions of Section 17.3.1 of the OATT the Transmission Provider waives the requirement that Transmission Customer submit an Application deposit.

(b) Service under this Service Agreement shall commence on September 1, 2025, when the Legacy Agreement expires, and shall terminate on the later of: (a) September 1, 2030, or (b) the date Unit 3 of the Springerville generation station permanently ceases operation (the "Term"), subject to the Transmission Customer's roll-over rights under the EPE OATT; provided, however, that in no event shall the Term be less than five (5) years. If Unit 3 of the Springerville generating station is expected to be operational for some period of time after September 1, 2030, such that this Service Agreement will continue in effect beyond the minimum five (5) year term ending September 1, 2030, Transmission Customer shall provide one (1) year advance written notice to Transmission Provider of the date the generating unit is expected to permanently cease operations, and this Service Agreement's Term will automatically continue through the actual date of retirement of the generating unit.

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[3] Section 5.2, Legacy Agreement.

[4] Sections 4.1 and 7.4, Legacy Agreement.

[5] Section 5.4, Legacy Agreement.

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(c) Transmission Provider shall provide service in the amounts, and at the points, identified in Attachment A to this Service Agreement.

The Transmission Provider agrees to provide, and the Transmission Customer agrees to take and pay for, Long-Term Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the OATT, except as modified by the terms and conditions of this Service Agreement as set forth in this Service Agreement. If there is a conflict between overlapping provisions in the OATT and this Service Agreement, the terms of this Service Agreement shall control.

(e) Southern New Mexico Import Capability ("SNMIC"): Transmission Customer's ability to receive service under this Service Agreement and Transmission Provider's obligation to provide service under this Service Agreement are subject to and conditioned upon there being no change to the WECC Rated Path Maximum Firm SNMIC because of this Service Agreement. Transmission Provider's share and Transmission Customer's share of WECC Rated Path Maximum Firm SNMIC are not intended to change because of this Service Agreement. [6]

The Parties agree that Transmission Customer's 115 kV Belen to Bernardo transmission line (the "Transmission Line"), which is a component of WECC Path 47 and a feature of SNMIC, has a present rating of 60 MW of transmission capacity for purposes of calculating SNMIC. Following an upgrade of the Transmission Line's conductor size in the early 2000s, the Transmission Line's capacity increased from 60 MW to 90 MW; however, this upgrade did not affect the SNMIC rating of 60 MWs. The Parties further agree that any future upgrades of the Transmission Line or other improvements Transmission Customer may make to its system in Southern New Mexico that result in an incremental increase in Southern New Mexico Transmission System capability, according to path rating methodologies developed and recognized by the Western Electricity Coordinating Council, shall result in a mutually agreed upon increase of the transmission capacity rating of the Transmission Line (or other relevant system elements connected to the Transmission Line), as applicable. Transmission Customer will notify Transmission Provider in writing should the transmission capacity of Transmission Line increase noting the specific date that the capacity

[6] The allocation of the WECC Rated Path Maximum Firm SNMIC is rooted in the Southern New Mexico Transmission Participation Agreement, as amended, and is currently outlined in the New Mexico Transmission Operating Procedures filed with FERC in Docket No. ER05-393 on August 10, 2023.

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increase has occurred or will occur.

(f) Service at Secondary Points: Transmission Customer's ability to receive service under this Service Agreement over a Point of Receipt and/or a Point of Delivery other than those specifically identified in this Service Agreement ("Secondary Points") is subject to mutual agreement between the Parties, which agreement shall be in writing and placed on file as an amendment to this Service Agreement. Transmission Provider's ability to provide service over a Secondary Point is dependent upon import limitations and other restrictions under existing agreements governing Transmission Provider's participation in the Southern New Mexico Transmission System.[7]

(g) Excess Flow Responsibility: EPE is a signatory to an interconnection agreement with Tucson Electric Power Company ("TEP") dated June 28, 1991. Under Section 6.10 of the agreement with TEP, EPE may be responsible for payments to TEP if power and energy flows across EPE's interconnection points with TEP (specifically, the Springerville 345 KV and Greenlee 345 kV switchyards) exceed schedules on a regular basis, with certain conditions and exceptions ("Excess Flow Responsibility"). Tri-State will compensate EPE for its percentage share of amounts actually paid by EPE to TEP as the result of any such Excess Flow Responsibility; provided that Tri-State's obligation to compensate is limited solely to EPE's service to Tri-State under this Service Agreement.

Transmission Customer's percentage share of EPE's responsibility to TEP shall be based on calculations like those used in Sec. 8.2 of the Legacy Agreement such that Transmission Customer's Southern New Mexico load, existing SNMIC capacity rights and resources are summed up, and should Transmission Customer's load exceed Transmission Customer's SNMIC capacity rights and resources used to serve that load, then Transmission Customer may be allocated a portion of the Excess Flow Responsibility based on Transmission Customer's pro rata share of excess load compared against all load, SNMIC rights and resources serving Southern New Mexico. The Parties will jointly develop, within six (6) months after execution of this Service Agreement, an operating procedure that details the formula used to calculate Transmission Customer's share of Excess Flow Responsibility. The operating procedure will include a list of all meters measuring load, Southern New

[7] Southern New Mexico Transmission System refers to transmission Path 47 within the Western Interconnection. Path 47 is designated as a WECC Accepted Path with specific ratings.

Mexico system flow, and resources that impact the formula along with corresponding meter voltages and locations along with other critical details necessary to quantify the formula inputs.

(h) Losses are accessed under the Transmission Provider's OATT. Except as otherwise provided in Section 3.0, above, the OATT applies and is incorporated herein and made a part hereof.

(i) Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below:

Transmission Provider:

Paso Electric Company
Attention: System Operations M/S 751
P.O. Box 982
El Paso TX 79960
Email: transservice@epelectric.com
Phone: 915-543-2012

Transmission Customer:

Tri-State Generation and Transmission Association, Inc.
Attention: Stephanie Copeland, Merchant Transmission Manager
1100 W. 116th Avenue Westminster, CO 80234
Email: stephanie.copeland@tristategt.org
Phone: 303-668-1311

4.0 This Service Agreement shall be interpreted, governed by and construed under the laws of the State of New Mexico or the laws of the United States, as applicable, as if executed and performed wholly within the State of New Mexico.

5.0 This Service Agreement may be executed in two or more counterparts, each of which is deemed an original and all of which constitute one and the same agreement. A party may deliver an executed counterpart of this Service Agreement by electronic means.

[Signatures appear on following page]

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IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider: _____

Signed By: __

Name: Abel Bustillos
Dir. System Operations

07/10/2025
Date: _____

DocuSigned by:
Transmission Customer: _____
53B2DCB5BAD1419...

By: ____

Name: Duane Highley
Title: Chief Executive Officer

7/15/2025
Date: _____

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Attachment A

Specifications For Long-Term Firm Point-To-Point Transmission Service

1.0 Term of Transaction:

Start Date: September 1, 2025

Termination Date: In accordance with Sec. 3.0, subsection 2. of the Service Agreement but in no event earlier than September 1, 2030.

2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.

Balancing Authority Area of Tucson Electric Power Company.

Point(s) of Receipt: Springerville 345 kV

4.0 Delivering Party: Tri-State

5.0 Point(s) of Delivery: Las Cruces 115 kV (subject to a limit of 48 MW), Oro Grande 115 kV (subject to a limit of 2 MW. Two (2) separate transmission reservations (one for each Point of Delivery) have been submitted to OASIS. Transmission Customer will use these reservations to schedule service under this Service Agreement.

6.0 Receiving Party: Tri-State is the Receiving Party at the Las Cruces 115kV (LASCRCS115) POD and at the Oro Grande 115 kV (OROGRANDE115) POD.

7.0 Maximum amount of capacity and energy to be transmitted (Reserved Capacity): up to 50 MWs (see Section 5.0 of this Attachment A for maximum amounts at each identified Point of Delivery).

8.0 Designation of party(ies) subject to reciprocal service obligation: Not Applicable.

9.0 Name(s) of any Intervening Systems providing transmission service: Not Applicable.

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10.0 Service under this Service Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the OATT)

(a) Transmission Charge:

Schedule 7 charges under EPE OATT, as such charges may change over time, including applicable ancillary services under the EPE OATT. Losses shall be assessed under Schedule 10 of the EPE OATT.

(b) System Impact and/or Facilities Study Charge(s): Not applicable.

(c) Direct Assignment Facilities Charge: Not applicable.

(d) Ancillary Services Charges: Schedule 1 and Schedule 2 under the EPE OATT, as well as other ancillary services charges, as applicable under the Transmission Provider's OATT.

Service Agreement No. 427

Tariff Submitter:	El Paso Electric Company
FERC Tariff Program Name:	FERC FPA Electric Tariff
Tariff Title:	Open Access Transmission Tariff
Tariff Record Proposed Effective Date:	April 1, 2026
Tariff Record Title:	OATT, Nonconforming Service Agreements, Service Agreement No. 427, Simultaneous Exchange with Dynasty, 0.0.0
Option Code:	A
The Entities Receiving Service Under the Agreement:	EPE and Dynasty (or alternative unaffiliated counterparty)
Brief Description of the Service Agreement:	Simultaneous Exchange

WSPP Service Schedule B

CONFIRMATION

BETWEEN

Dynasty Power Inc. [or Alternate Unaffiliated Third Party] And

El Paso Electric Company

Dynasty Power Inc. [or alternate unaffiliated third party] and El Paso Electric Company are parties to WSPP ("the Contract"). The Contract contemplates the parties entering into Transactions, reduced to writing in a Confirmation. All provisions contained in the Contract govern this Confirmation and all capitalized terms have the same meaning as in the Contract except as expressly modified below:

Part A: Supply at Greenlee 345 kV Substation

Trade Date: xx-xxx-xxx

Trade Type: Firm Power

Seller: Dynasty Power Inc. (DYNP) [or alternate unaffiliated third party seller]

Purchaser: El Paso Electric Company (EPEC)

Contract Quantity: up to 100.00 MW

Applicable Hours: Variable

Schedule (Days and Hours): Variable PPT

Delivery Period 2026-04-01 (the start date will be April 1, 2026, or the effective date of FERC approval, whichever comes first), subject to mutually agreed upon contract quantities between 0 MW and 100.00 MW by involved parties)

Delivery Point: Greenlee 345 kV substation

Commodity Reference Price: For deliveries made to the Delivery Point, the Purchaser will be charged based on the average prices published on www.theice.com, ICE Global markets in clear view, for ICE OTC, North American Power, under the heading ICE Day Ahead Power Price Report Palo Verde Peak for each Peak MWh delivery during the applicable day or Palo Verde Off-Peak for each Off-Peak MWh delivery during the applicable day (the “ICE PALO Price”)

Part B: Supply at PALOVERDE500 or Four Corners 345 kV Substations

Trade Type: Firm Power

Seller: EPEC

Purchaser: DYNP [or alternate unaffiliated third party]

Contract Quantity: Contract Quantity will be identical to the Contract Quantity delivered in Part A above, up to 100.00 MW.

Applicable Hours: Variable

Business Days: Variable PPT

Delivery Period: 2026-04-01 (the start date will be April 1, 2026, or the effective date of FERC approval, whichever comes first), subject to mutually agreed upon contract quantities between 0 MW and 100 MW by involved parties).

Delivery Point: PALOVERDE500 or Four Corners 345 kV Substations

Commodity Reference Price: For deliveries made to the Delivery Point, the Purchaser will be charged based on the average prices published on www.theice.com, ICE Global markets in clear view, for ICE OTC, North American Power, under the heading ICE Day Ahead Power Price Report Palo Verde Peak for each Peak MWh delivery during the applicable day or Palo Verde Off-Peak for each Off-Peak MWh delivery during the applicable day (the "ICE PALO Price"), plus a maximum of $5/MWh. The volume of the transaction will be mutually agreed in advance (*e.g.* on a day-ahead basis, monthly, or quarterly basis) but shall not exceed 100 MWs.

Tariff Submitter:	El Paso Electric Company
FERC Tariff Program Name:	FERC FPA Electric Tariff
Tariff Title:	Open Access Transmission Tariff
Tariff Record Proposed Effective Date:	July 30, 2024
Tariff Record Title:	OATT, Nonconforming Service Agreements, Service Agreement No. 406, Unexecuted Mesquite PV I LGIA with EPE, 0.0.0
Option Code:	A
The Entity Receiving Service Under the Agreement:	El Paso Electric Company
Brief Description of the Service Agreement:	Unexecuted LGIA

STANDARD LARGE GENERATOR

INTERCONNECTION AGREEMENT (LGIA)

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STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT

THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT ("Agreement") is made and entered into this _____day of _____ 2024, by and between Mesquite PV I, LLC, a limited liability company organized and existing under the laws of the State/Commonwealth of _____ ("Interconnection Customer" with a Large Generating Facility), and El Paso Electric Company, a corporation organized and existing under the laws of the State/Commonwealth of Texas ("Transmission Provider and/or Transmission Owner"). Interconnection Customer and Transmission Provider each may be referred to as a "Party" or collectively as the "Parties."

Recitals

WHEREAS, Transmission Provider operates the Transmission System; and

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the Generating Facility identified as a Large Generating Facility in Appendix C to this Agreement; and,

WHEREAS, Interconnection Customer and Transmission Provider have agreed to enter into this Agreement for the purpose of interconnecting the Large Generating Facility with the Transmission System;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

When used in this Standard Large Generator Interconnection Agreement, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used or the Open Access Transmission Tariff (Tariff).

Article 1. Definitions

Adverse System Impact shall mean the negative effects due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.

Affected System shall mean an electric system other than Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

Affiliate shall mean, with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

Ancillary Services shall mean those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of Transmission Provider's Transmission System in accordance with Good Utility Practice.

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Standards shall mean the requirements and guidelines of the Electric Reliability Organization and the Balancing Authority Area of the Transmission System to which the Generating Facility is directly interconnected.

Balancing Authority shall mean an entity that integrates resource plans ahead of time, maintains demand and resource balance within a Balancing Authority Area, and supports interconnection frequency in real time.

Balancing Authority Area shall mean the collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies by Transmission Provider or Interconnection Customer.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the Standard Large Generator Interconnection Agreement.

Breaching Party shall mean a Party that is in Breach of the Standard Large Generator Interconnection Agreement.

Business Day shall mean Monday through Friday, excluding Federal Holidays.

Calendar Day shall mean any day including Saturday, Sunday or a Federal Holiday.

Cluster shall mean a group of one or more Interconnection Requests that are studied together for the purpose of conducting a Cluster Study.

Cluster Restudy shall mean a restudy of a Cluster Study conducted pursuant to Section 7.5 of the LGIP.

Cluster Study shall mean the evaluation of one or more Interconnection Requests within a Cluster as described in Section 7 of the LGIP.

Clustering shall mean the process whereby one or more Interconnection Requests are studied together, instead of serially, as described in Section 7 of the LGIP.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Standard Large Generator Interconnection Agreement.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Contingent Facilities shall mean those unbuilt Interconnection Facilities and Network Upgrades upon which the Interconnection Request's costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for restudies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Standard Large Generator Interconnection Agreement.

Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution System shall mean Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

Distribution Upgrades shall mean the additions, modifications, and upgrades to Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which the Standard Large Generator Interconnection Agreement becomes effective upon execution by the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.

Electric Reliability Organization shall mean the North American Electric Reliability Corporation (NERC) or its successor organization.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of a Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Transmission Provider's Transmission System, Transmission Provider's Interconnection Facilities or the electric systems of others to which Transmission Provider's Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by the Standard Large Generator Interconnection Agreement to possess black start capability.

Energy Resource Interconnection Service shall mean an Interconnection Service that allows Interconnection Customer to connect its Generating Facility to Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or nonfirm capacity of Transmission Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

Engineering & Procurement (E&P) Agreement shall mean an agreement that authorizes Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a et seq.

FERC shall mean the Federal Energy Regulatory Commission (Commission) or its successor.

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility shall mean Interconnection Customer's devices for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include Interconnection Customer's Interconnection Facilities.

Generating Facility Capacity shall mean the net capacity of the Generating Facility or the aggregate net capacity of the Generating Facility where it includes more than one device for the production and/or storage for later injection of electricity.

Good Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good

business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer, Transmission Provider, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date shall mean the date upon which Interconnection Customer reasonably expects it will be ready to begin use of Transmission Provider's Interconnection Facilities to obtain back feed power.

Interconnection Customer shall mean any entity, including Transmission Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with Transmission Provider's Transmission System. Where the Interconnection Customer and the Transmission Provider are the same entity, application of the following provisions set forth herein is not required: provisions governing the posting of security (in Articles 5 and 11), provisions governing taxes and reimbursements for tax liability (in Article 5), provisions governing indemnity, consequential damages and insurance (in Article 18), and provisions governing billing and payment (in Articles 12 and 15) (invoices are not required, but may be generated and tendered for administrative use to aid in the identification and accounting of costs).

Interconnection Customer's Interconnection Facilities shall mean all facilities

and equipment, as identified in Appendix A of the Standard Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to Transmission Provider's Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean Transmission Provider's Interconnection Facilities and Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Study shall mean a study conducted by Transmission Provider or a third party consultant for Interconnection Customer to determine a list of facilities (including Transmission Provider's Interconnection Facilities and Network Upgrades as identified in the Cluster Study), the cost of those facilities, and the time required to interconnect the Generating Facility with Transmission Provider's Transmission System. The scope of the study is defined in Section 8 of the LGIP.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 3 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Facilities Study.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to the LGIP, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with Transmission Provider's Transmission System.

Interconnection Service shall mean the service provided by Transmission Provider associated with interconnecting Interconnection Customer's Generating Facility to Transmission Provider's Transmission System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Standard Large Generator Interconnection Agreement and, if applicable, Transmission Provider's Tariff.

Interconnection Study shall mean any of the following studies: the Cluster Study, the Cluster Restudy, the Surplus Interconnection Service Study, the Interconnection Facilities Study, the Affected System Study, Optional Interconnection

Study, and Material Modification assessment, described in the LGIP.

IRS shall mean the Internal Revenue Service.

Joint Operating Committee shall be a group made up of representatives from Interconnection Customers and Transmission Provider to coordinate operating and technical considerations of Interconnection Service.

Large Generating Facility shall mean a Generating Facility having a Generating Facility Capacity of more than 20 MW.

LGIA Deposit shall mean the deposit Interconnection Customer submits when returning the executed LGIA, or within ten (10) Business Days of requesting that the LGIA be filed unexecuted at the Commission, in accordance with Section 11.3 of the LGIP.

Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non-performance of its obligations under the Standard Large Generator Interconnection Agreement on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the Indemnifying Party.

Material Modification shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with an equal or later Queue Position.

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Standard Large Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

Network Resource shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Network Resource Interconnection Service shall mean an Interconnection Service that allows Interconnection Customer to integrate its Large Generating Facility with Transmission Provider's Transmission System (1) in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the

same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Facilities connect to Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to Transmission Provider's Transmission System.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Standard Large Generator Interconnection Agreement or its performance.

Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 4 of the LGIP for conducting the Optional Interconnection Study.

Party or Parties shall mean Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where Interconnection Customer's Interconnection Facilities connect to Transmission Provider's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Facilities connect to Transmission Provider's Transmission System.

Proportional Impact Method shall mean a technical analysis conducted by Transmission Provider to determine the degree to which each Generating Facility in the Cluster Study contributes to the need for a specific System Network Upgrade.

Provisional Interconnection Service shall mean Interconnection Service provided by Transmission Provider associated with interconnecting Interconnection Customer's Generating Facility to Transmission Provider's Transmission System and enabling that Transmission System to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

Provisional Large Generator Interconnection Agreement shall mean the interconnection agreement for Provisional Interconnection Service established between

Transmission Provider and/or the Transmission Owner and Interconnection Customer. This agreement shall take the form of the Standard Large Generator Interconnection Agreement, modified for provisional purposes.

Queue Position shall mean the order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, established pursuant to Section 4.1 of this LGIP.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Standard Large Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Scoping Meeting shall mean the meeting between representatives of Interconnection Customer(s) and Transmission Provider conducted for the purpose of discussing the proposed Interconnection Request and any alternative interconnection options, exchanging information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, refining information and models provided by Interconnection Customer(s), discussing the Cluster Study materials posted to OASIS pursuant to Section 3.5 of the LGIP, and analyzing such information.

Site Control shall mean the exclusive land right to develop, construct, operate, and maintain the Generating Facility over the term of expected operation of the Generating Facility. Site Control may be demonstrated by documentation establishing: (1) ownership of, a leasehold interest in, or a right to develop a site of sufficient size to construct and operate the Generating Facility; (2) an option to purchase or acquire a leasehold site of sufficient size to construct and operate the Generating Facility for such purpose; or (3) any other documentation that clearly demonstrates the right of Interconnection Customer to exclusively occupy a site of sufficient size to construct and operate the Generating Facility. Transmission Provider will maintain acreage requirements for each Generating Facility type on its OASIS or public website.

Small Generating Facility shall mean a Generating Facility that has a Generating Facility Capacity of no more than 20 MW.

Stand Alone Network Upgrades shall mean Network Upgrades that are not part of an Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both Transmission Provider and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Large Generator Interconnection Agreement. If Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone

Network Upgrade, Transmission Provider must provide Interconnection Customer a written technical explanation outlining why Transmission Provider does not consider the Network Upgrade to be a Stand Alone Network Upgrade within fifteen (15) Business Days of its determination.

Standard Large Generator Interconnection Agreement (LGIA) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility (or a Small Generating Facility requesting to interconnect under Network Resource Interconnection Service) that is included in Transmission Provider's Tariff.

Standard Large Generator Interconnection Procedures (LGIP) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility (or a Small Generating Facility requesting to interconnect under Network Resource Interconnection Service) that are included in Transmission Provider's Tariff.

Substation Network Upgrades shall mean Network Upgrades that are required at the substation located at the Point of Interconnection.

Surplus Interconnection Service shall mean any unneeded portion of Interconnection Service established in a Standard Large Generator Interconnection Agreement, such that if Surplus Interconnection Service is utilized the total amount of Interconnection Service at the Point of Interconnection would remain the same.

System Network Upgrades shall mean Network Upgrades that are required beyond the substation located at the Point of Interconnection.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) Transmission Provider's Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on Transmission Provider's Transmission System or on other delivery systems or other generating systems to which Transmission Provider's Transmission System is directly connected.

Tariff shall mean Transmission Provider's Tariff through which open access transmission service and Interconnection Service are offered, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

Transmission Owner shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Standard Large Generator Interconnection Agreement to the extent necessary.

Transmission Provider shall mean the public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from Transmission Provider.

Transmission Provider's Interconnection Facilities shall mean all facilities and equipment owned, controlled, or operated by Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Standard Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Transmission System shall mean the facilities owned, controlled or operated by Transmission Provider or Transmission Owner that are used to provide transmission service under the Tariff.

Trial Operation shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

Variable Energy Resource shall mean a device for the production of electricity that is characterized by an energy source that: (1) is renewable; (2) cannot be stored by the facility owner or operator; and (3) has variability that is beyond the control of the facility owner or operator.

Withdrawal Penalty shall mean the penalty assessed by Transmission Provider to an Interconnection Customer that chooses to withdraw or is deemed withdrawn from Transmission Provider's interconnection queue or whose Generating Facility does not otherwise reach Commercial Operation. The calculation of the Withdrawal Penalty is set forth in Section 3.7.1 of the LGIP.

Article 2. Effective Date, Term, and Termination

2.1 Effective Date. This LGIA shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC. Transmission Provider shall promptly file this LGIA with FERC upon execution in accordance with Article 3.1, if required.

2.2 Term of Agreement. Subject to the provisions of Article 2.3, this LGIA shall

remain in effect for a period of ten (10) years from the Effective Date or such other longer period as Interconnection Customer may request (Term to be specified in individual agreements) and shall be automatically renewed for each successive one-year period thereafter.

2.3 Termination Procedures.

2.3.1 Written Notice. This LGIA may be terminated by Interconnection Customer after giving Transmission Provider ninety (90) Calendar Days advance written notice, or by Transmission Provider notifying FERC after the Generating Facility permanently ceases Commercial Operation.

2.3.2 Default. Either Party may terminate this LGIA in accordance with Article 17.

2.3.3 Notwithstanding Articles 2.3.1 and 2.3.2, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this LGIA, which notice has been accepted for filing by FERC.

2.4 Termination Costs. If a Party elects to terminate this Agreement pursuant to Article 2.3 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party, as of the date of the other Party's receipt of such notice of termination, that are the responsibility of the Terminating Party under this LGIA. In the event of termination by a Party, the Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this LGIA, unless otherwise ordered or approved by FERC:

2.4.1 With respect to any portion of Transmission Provider's Interconnection Facilities that have not yet been constructed or installed, Transmission Provider shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Transmission Provider shall deliver such material and equipment, and, if necessary, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Transmission Provider for any or all such costs of materials or equipment not taken by Interconnection Customer, Transmission Provider shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by Transmission Provider to cancel any pending orders of or return such materials, equipment, or contracts.

If an Interconnection Customer terminates this LGIA, it shall be responsible for all costs incurred in association with that Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any Network Upgrades for which Transmission Provider has incurred expenses and has not been reimbursed by Interconnection Customer.

2.4.2 Transmission Provider may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Transmission Provider shall be responsible for all costs associated with procuring such materials, equipment, or facilities.

2.4.3 With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this LGIA, Interconnection Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

2.5 Disconnection. Upon termination of this LGIA, the Parties will take all appropriate steps to disconnect the Large Generating Facility from the Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this LGIA or such non-terminating Party otherwise is responsible for these costs under this LGIA.

2.6 Survival. This LGIA shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this LGIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this LGIA was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this LGIA or

other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

Article 3. Regulatory Filings

3.1 Filing. Transmission Provider shall file this LGIA (and any amendment hereto) with the appropriate Governmental Authority, if required. Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 22. If Interconnection Customer has executed this LGIA, or any amendment thereto, Interconnection Customer shall reasonably cooperate with Transmission Provider with respect to such filing and to provide any information reasonably requested by Transmission Provider needed to comply with applicable regulatory requirements.

Article 4. Scope of Service

4.1 Interconnection Product Options. Interconnection Customer has selected the following (checked) type of Interconnection Service:

4.1.1 Energy Resource Interconnection Service.

4.1.1.1 The Product. Energy Resource Interconnection Service allows Interconnection Customer to connect the Large Generating Facility to the Transmission System and be eligible to deliver the Large Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an "as available" basis. To the extent Interconnection Customer wants to receive Energy

Resource Interconnection Service, Transmission Provider shall construct facilities identified in Attachment A.

4.1.1.2 Transmission Delivery Service Implications.

Under Energy Resource Interconnection Service, Interconnection Customer will be eligible to inject power from the Large Generating Facility into and deliver power across the interconnecting Transmission Provider's Transmission System on an "as available" basis up to the amount of MWs identified in the applicable stability and steady state studies to the extent the upgrades initially required to qualify for Energy Resource Interconnection Service have been constructed. Where eligible to do so (e.g., may place a bid to sell into the market up to the maximum identified Large Generating Facility output, subject to any conditions approval, and the Large Generating Facility will be dispatched to the extent Interconnection Customer's bid clears. In all other instances, Generating Facility is assured, but Interconnection Customer may obtain Integration Transmission Service, or be used for secondary network transmission service, pursuant to Transmission Provider's Tariff, up to the maximum output identified in the stability and steady state studies. In those instances, in order for Interconnection Customer to obtain the right to deliver or inject energy beyond the Large Generating Facility Point of transmission delivery service must be obtained pursuant to the provisions of Transmission Provider's Tariff. Interconnection Customer's ability to inject its Large Generating Facility output beyond the Point of Interconnection, therefore, will depend on the existing capacity of Transmission Provider's Transmission System at that firm

Point-to-Point Transmission Service or Network Integration Transmission Service may require the construction of additional Network Upgrades.

4.1.2 Network Resource Interconnection Service.

4.1.2.1 The Product. Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility (1) in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an ISO or RTO with market based congestion management, in the same manner as all Network Resources. To the extent Interconnection Customer wants to receive Network Resource Interconnection Service, Transmission Provider shall construct the facilities identified in Attachment A to this LGIA.

4.1.2.2 Transmission Delivery Service Implications. Network Resource Interconnection Service allows Interconnection Customer's Large Generating Facility to be designated by any Network Customer under the Tariff on Transmission Provider's Transmission System as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a
Interconnection Service does not convey a reservation of transmission service, any Network Customer under the Tariff
obtain
Interconnection
Customer's Large Generating Facility in the same manner as it accesses Network Resources. A Large Generating Facility

receiving Network Resource Interconnection Service may also be used to provide Ancillary Services after technical studies and/or periodic analyses are performed with respect to
applicable Ancillary Services, provided that such studies and
with
the provision of such Ancillary Services by any existing Network Resource. However, if an Interconnection Customer's Large Generating Facility has not been designated as a Network Resource by any load, it cannot be required to provide Ancillary Services except to the extent such requirements extend to all generating facilities that are similarly situated. The provision of Network Integration Transmission Service or firm Point-to-Point Transmission Service may require additional studies and the construction of
would be associated with a request for delivery service under
upgrades
would be in accordance with FERC's policy for pricing transmission delivery services.

Network Resource Interconnection Service does not necessarily provide Interconnection Customer with the capability to physically deliver the output of its Large Generating Facility to any particular load on Transmission Provider's Transmission System without incurring congestion
on
Interconnection Customer's Large Generating Facility shall be subject to the applicable congestion management procedures in Transmission Provider's Transmission System

There is no requirement either at the time of study or interconnection, or at any point in the future, that

Interconnection Customer's Large Generating Facility be designated as a Network Resource by a Network Service Customer under the Tariff or that Interconnection Customer identify a specific buyer (or sink). To the extent a Network Customer does designate the Large Generating Facility as a Network Resource, it must do so pursuant to Transmission Provider's Tariff.

Once an Interconnection Customer satisfies the requirements for obtaining Network Resource Interconnection Service, any future transmission service request for delivery from the Large Generating Facility within Transmission Provider's Transmission System of any amount of capacity and/or energy, up to the amount initially studied, will not require that any additional studies be performed or that any further upgrades associated with such Large Generating Facility be undertaken, regardless of whether or not such Large Generating Facility is ever designated by a Network Customer as a Network Resource and regardless of changes in ownership of the Large Generating Facility. However, the reduction or elimination of congestion or redispatch costs may require additional studies and the construction of additional upgrades.

To the extent Interconnection Customer enters into an arrangement for long term transmission service for deliveries from the Large Generating Facility outside Transmission Provider's Transmission System, such request may require additional studies and upgrades in order for Transmission Provider to grant such request.

4.2 Provision of Service. Transmission Provider shall provide Interconnection Service for the Large Generating Facility at the Point of Interconnection.

4.3 Performance Standards. Each Party shall perform all of its obligations under this LGIA in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this LGIA for its compliance therewith. If such Party is a Transmission Provider or Transmission Owner, then that Party shall amend the LGIA and submit the amendment to FERC for approval.

4.4 No Transmission Delivery Service. The execution of this LGIA does not constitute a request for, nor the provision of, any transmission delivery service under Transmission Provider's Tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.

4.5 Interconnection Customer Provided Services. The services provided by Interconnection Customer under this LGIA are set forth in Article 9.6 and Article 13.5.1. Interconnection Customer shall be paid for such services in accordance with Article 11.6.

Article 5. Interconnection Facilities Engineering, Procurement, and Construction

5.1 Options. Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either the Standard Option or Alternate Option set forth below, and such dates and selected option shall be set forth in Appendix B, Milestones. At the same time, Interconnection Customer shall indicate whether it elects to exercise the Option to Build set forth in Article 5.1.3 below. If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days. Upon receipt of the notification that Interconnection Customer's designated dates are not acceptable to Transmission Provider, Interconnection Customer shall notify Transmission

Provider within thirty (30) Calendar Days whether it elects to exercise the Option to Build if it has not already elected to exercise the Option to Build.

5.1.1 Standard Option. Transmission Provider shall design, procure, and construct Transmission Provider's Interconnection Facilities and Network Upgrades, using Reasonable Efforts to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the dates set forth in Appendix B, Milestones. Transmission Provider shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event Transmission Provider reasonably expects that it will not be able to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the specified dates, Transmission Provider shall promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

5.1.2 Alternate Option. If the dates designated by Interconnection Customer are acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities by the designated dates.

If Transmission Provider subsequently fails to complete Transmission Provider's Interconnection Facilities by the In-Service Date, to the extent necessary to provide back feed power; or fails to complete Network Upgrades by the Initial Synchronization Date to the extent necessary to allow for Trial Operation at full power output, unless other arrangements are made by the Parties for such Trial Operation; or fails to complete the Network Upgrades by the Commercial Operation Date, as such dates are reflected in Appendix B, Milestones; Transmission Provider shall pay Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by

Interconnection Customer shall be extended day for day for each day that the applicable RTO or ISO refuses to grant clearances to install equipment.

5.1.3 Option to Build. Individual or Multiple Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades on the dates specified in Article 5.1.2, if the requirements of this Article 5.1.3 are met. When multiple Interconnection Customers exercise this option, multiple Interconnection Customers may agree to exercise this option provided (1) all Transmission Provider's Interconnection Facilities and Stand Alone Network upgrades constructed under this option are only required for Interconnection Customers in a single Cluster and (2) all impacted Interconnection Customers execute and provide to Transmission Provider an agreement regarding responsibilities and payment for the construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades planned to be built under this option. Transmission Provider and the individual Interconnection Customer or each of the multiple Interconnection Customers must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A. Except for Stand Alone Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option.

5.1.4 Negotiated Option. If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, the Parties shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates and liquidated damages, the provision of incentives, or the procurement and construction of all facilities other than Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades if Interconnection Customer elects to exercise the Option to Build under Article 5.1.3). If the Parties are unable to reach agreement on such terms and conditions, then pursuant to Article 5.1.1 (Standard Option), Transmission Provider shall assume responsibility for the design, procurement and construction of all facilities other than Transmission

Provider's Interconnection Facilities and Stand Alone Network Upgrades if Interconnection Customer elects to exercise the Option to Build.

5.2 General Conditions Applicable to Option to Build. If Interconnection Customer assumes responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades,

(1) Interconnection Customer shall engineer, procure equipment, and construct Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by Transmission Provider;

(2) Interconnection Customer's engineering, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of law to which Transmission Provider would be subject in the engineering, procurement or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(3) Transmission Provider shall review and approve the engineering design, equipment acceptance tests, and the construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(4) prior to commencement of construction, Interconnection Customer shall provide to Transmission Provider a schedule for construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for information from Transmission Provider;

(5) at any time during construction, Transmission Provider shall have the right to gain unrestricted access to Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;

(6) at any time during construction, should any phase of the engineering, equipment procurement, or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by Transmission Provider, Interconnection Customer shall be obligated to remedy deficiencies in that portion of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(7) Interconnection Customer shall indemnify Transmission Provider for claims arising from Interconnection Customer's construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades under the terms and procedures applicable to Article 18.1 Indemnity;

(8) Interconnection Customer shall transfer control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to Transmission Provider;

(9) Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Transmission Provider's Interconnection Facilities and Stand-Alone Network Upgrades to Transmission Provider;

(10) Transmission Provider shall approve and accept for operation and maintenance Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to the extent engineered, procured, and constructed in accordance with this Article 5.2; and

(11) Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information, and any other documents that are reasonably required by Transmission Provider to assure that the Interconnection Facilities and Stand-Alone Network Upgrades are built to the standards and specifications required by Transmission Provider.

(12) If Interconnection Customer exercises the Option to Build pursuant to Article 5.1.3, Interconnection Customer shall pay Transmission Provider the agreed upon amount of {$ PLACEHOLDER} for Transmission Provider to execute the responsibilities enumerated to Transmission Provider under Article 5.2. Transmission Provider shall invoice Interconnection Customer for this total amount to be divided on a monthly basis pursuant to Article 12.

5.3 Liquidated Damages. The actual damages to Interconnection Customer, in the event Transmission Provider's Interconnection Facilities or Network Upgrades are not completed by the dates designated by Interconnection Customer and accepted by Transmission Provider pursuant to subparagraphs 5.1.2 or 5.1.4, above, may include Interconnection Customer's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of such uncertainty, any liquidated damages paid by Transmission Provider to Interconnection Customer in the event that Transmission Provider does not complete any portion of Transmission Provider's Interconnection Facilities or Network Upgrades by the applicable dates, shall be an amount equal to ½ of 1 percent per day of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades, in the aggregate, for which Transmission Provider has assumed responsibility to design, procure and construct.

However, in no event shall the total liquidated damages exceed 20 percent of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades for which Transmission Provider has assumed responsibility to design, procure, and construct. The foregoing payments will be made by Transmission Provider to Interconnection Customer as just compensation for the damages

caused to Interconnection Customer, which actual damages are uncertain and impossible to determine at this time, and as reasonable liquidated damages, but not as a penalty or a method to secure performance of this LGIA. Liquidated damages, when the Parties agree to them, are the exclusive remedy for Transmission Provider's failure to meet its schedule.

No liquidated damages shall be paid to Interconnection Customer if: (1) Interconnection Customer is not ready to commence use of Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for the Large Generating Facility's Trial Operation or to export power from the Large Generating Facility on the specified dates, unless Interconnection Customer would have been able to commence use of Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for Large Generating Facility's Trial Operation or to export power from the Large Generating Facility, but for Transmission Provider's delay; (2) Transmission Provider's failure to meet the specified dates is the result of the action or inaction of Interconnection Customer or any other Interconnection Customer who has entered into an LGIA with Transmission Provider or any cause beyond Transmission Provider's reasonable control or reasonable ability to cure; (3) [the] Interconnection Customer has assumed responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades; or (4) the Parties have otherwise agreed.

5.4 Power System Stabilizers. Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with the guidelines and procedures established by the Electric Reliability Organization. Transmission Provider reserves the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative. The requirements of this paragraph shall not apply to wind generators.

5.5 Equipment Procurement. If responsibility for construction of Transmission Provider's Interconnection Facilities or Network Upgrades is to be borne by Transmission Provider, then Transmission Provider shall commence design of Transmission Provider's Interconnection Facilities or Network Upgrades and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

5.5.1 Transmission Provider has completed the Interconnection Facilities Study pursuant to the Interconnection Facilities Study Agreement;

5.5.2 Transmission Provider has received written authorization to proceed with design and procurement from Interconnection Customer by the date specified in Appendix B, Milestones; and

5.5.3 Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.6 Construction Commencement. Transmission Provider shall commence construction of Transmission Provider's Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:

5.6.1 Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;

5.6.2 Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of Transmission Provider's Interconnection Facilities and Network Upgrades;

5.6.3 Transmission Provider has received written authorization to proceed with construction from Interconnection Customer by the date specified in Appendix B, Milestones; and

5.6.4 Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.7 Work Progress. The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, at any time, request a progress report from the other Party. If, at any time, Interconnection Customer determines that the completion of Transmission Provider's Interconnection Facilities will not be required until after the specified In-Service Date, Interconnection Customer will provide written notice to Transmission Provider of such later date upon which the completion of Transmission Provider's Interconnection Facilities will be required.

5.8 Information Exchange. As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with Transmission Provider's Transmission System, and
changes.

5.9 Other Interconnection Options.

5.9.1 Limited Operation. If any of Transmission Provider's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Large Generating Facility, Transmission Provider shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Large Generating Facility and Interconnection Customer's Interconnection Facilities may operate prior to

the completion of Transmission Provider's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA. Transmission Provider shall permit Interconnection Customer to operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.

5.9.2 Provisional Interconnection Service. Upon the request of Interconnection Customer, and prior to completion of requisite Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities Transmission Provider may execute a Provisional Large Generator Interconnection Agreement or Interconnection Customer may request the filing of an unexecuted Provisional Large Generator Interconnection Agreement with Interconnection Customer for limited Interconnection Service at the discretion of Transmission Provider based upon an evaluation that will consider the results of available studies. Transmission Provider shall determine, through available studies or additional studies as necessary, whether stability, short circuit, thermal, and/or voltage issues would arise if Interconnection Customer interconnects without modifications to the Generating Facility or Transmission System. Transmission Provider shall determine whether any Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities that are necessary to meet the requirements of the Electric Reliability Organization, or any applicable Regional Entity for the interconnection of a new, modified and/or expanded Generating Facility are in place prior to the commencement of Interconnection Service from the Interconnection Facilities, Network Upgrades, Distribution Upgrades, and/or System Protection Facilities that are required for the interconnection of a new, modified and/or expanded Generating Facility are not currently in place, Transmission Provider will perform a study, at Interconnection Customer's expense, to confirm the facilities that are required for Provisional Interconnection Service. The maximum permissible output of Interconnection Agreement shall be studied and updated {on a frequency determined by expense}.

Interconnection Customer assumes all risk and liabilities with respect to changes between the Provisional Large Generator Interconnection Agreement and the Large Generator Interconnection Agreement, including changes in output limits and Interconnection Facilities, Network Upgrades, Distribution Upgrades, and/or System Protection Facilities cost responsibilities.

5.10 Interconnection Customer's Interconnection Facilities ('ICIF').

Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.10.1 Interconnection Customer's Interconnection Facility Specifications. Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Transmission Provider at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. Transmission Provider shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

5.10.2 Transmission Provider's Review. Transmission Provider's review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be required by Transmission Provider, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the technical specifications,

operational control, and safety requirements of Transmission Provider.

5.10.3 ICIF Construction. The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information and documents for the ICIF, such as: a one-line diagram, a site plan showing the Large Generating Facility and the ICIF, plan and elevation drawings showing the layout of the ICIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with Interconnection Customer's step-up transformers, the facilities connecting the Large Generating Facility to the step-up transformers and the ICIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Large Generating Facility. Interconnection Customer shall provide Transmission Provider specifications for the excitation system, automatic voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

5.11 Transmission Provider's Interconnection Facilities Construction. Transmission Provider's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Transmission Provider shall deliver to Interconnection Customer the following "as-built" drawings, information and documents for Transmission Provider's Interconnection Facilities {include appropriate drawings and relay diagrams}.

Transmission Provider will obtain control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities.

5.12 Access Rights. Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish at no cost to the other Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large Generating Facility with the Transmission System; (ii) operate and maintain the Large Generating Facility, the Interconnection Facilities and the Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this LGIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.

5.13 Lands of Other Property Owners. If any part of Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or Transmission Provider or Transmission Owner, Transmission Provider or Transmission Owner shall at Interconnection Customer's expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades upon such property. Any land rights procured by Interconnection Customer from third parties for the siting of Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades must be of sufficient quality and duration to provide unencumbered use of the land for such purposes for the expected life of those facilities.

5.14 Permits. Transmission Provider or Transmission Owner and Interconnection Customer shall cooperate with each other in good faith in obtaining all permits, licenses, and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. With respect to this paragraph, Transmission Provider or Transmission Owner shall provide permitting assistance to Interconnection Customer comparable to that provided to Transmission Provider's own, or an Affiliate's generation.

5.15 Early Construction of Base Case Facilities. Interconnection Customer may request Transmission Provider to construct, and Transmission Provider shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Network Upgrades required for Interconnection Customer to be interconnected to the Transmission System which are included in the Base Case of the Interconnection Facilities Study for Interconnection Customer, and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.

5.16 Suspension. Interconnection Customer reserves the right, upon written notice to Transmission Provider, to suspend at any time all work by Transmission Provider associated with the construction and installation of Transmission Provider's Interconnection Facilities and/or Network Upgrades required under this LGIA with the condition that Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Transmission Provider's safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Transmission Provider (i) has incurred pursuant to this LGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Transmission Provider cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Transmission Provider shall obtain Interconnection Customer's authorization to do so.

Transmission Provider shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by Transmission Provider required under this LGIA pursuant to this Article 5.16, and has not requested Transmission Provider to recommence the work required under this LGIA on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Transmission Provider, if no effective date is specified.

5.17 Taxes.

5.17.1 Interconnection Customer Payments Not Taxable. The Parties intend that all payments or property transfers made by Interconnection Customer to Transmission Provider for the installation of Transmission Provider's Interconnection Facilities and the Network Upgrades shall be non-taxable, either as contributions to capital, or as an advance, in accordance with the Internal Revenue Code and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the Internal Revenue Code and any applicable state income tax laws.

5.17.2 Representations and Covenants. In accordance with IRS Notice 2001-82 and IRS Notice 88-129, Interconnection Customer represents and covenants that (i) ownership of the electricity generated at the Large Generating Facility will pass to another party prior to the transmission of the electricity on the Transmission System, (ii) for income tax purposes, the amount of any payments and the cost of any property transferred to Transmission Provider for
capitalized by Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty

(20) years, and (iii) any portion of Transmission Provider's Interconnection Facilities that is a "dual-use intertie," within the meaning of IRS Notice 88-129, is reasonably expected to carry only a de minimis amount of electricity in the direction of the Large Generating Facility. For this purpose, "de minimis amount" means no more than 5 percent of the total power flows in both directions, calculated in accordance with the "5 percent test" set forth in IRS Notice 88-129. This is not intended to be an exclusive list of the relevant conditions that must be met to conform to IRS requirements for non-taxable treatment.

At Transmission Provider's request, Interconnection Customer shall provide Transmission Provider with a report from an independent engineer confirming its representation in clause (iii), above. Transmission Provider represents and covenants that the cost of Transmission Provider's Interconnection Facilities paid for by Interconnection Customer will have no net effect on the base upon which rates are determined.

5.17.3 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon Transmission Provider. Notwithstanding Article 5.17.1, Interconnection Customer shall protect, indemnify and hold harmless Transmission Provider from the cost consequences of any current tax liability imposed against Transmission Provider as the result of payments or property transfers made by Interconnection Customer to Transmission Provider under this LGIA for Interconnection Facilities, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Transmission Provider.

Transmission Provider shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection Customer under this LGIA unless (i) Transmission Provider has determined, in good faith, that the payments or property transfers made by Interconnection Customer to Transmission Provider should be reported as income subject to taxation or (ii) any

Governmental Authority directs Transmission Provider to report payments or property as income subject to taxation; provided, however, that Transmission Provider may require Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to Transmission Provider (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 5.17. Interconnection Customer shall reimburse Transmission Provider for such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within thirty (30) Calendar Days of receiving written notification from Transmission Provider of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten year testing period and the applicable statute of limitation, as it may be extended by Transmission Provider upon request of the IRS, to keep these years open for audit or adjustment,

or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 5.17.

5.17.4 Tax Gross-Up Amount. Interconnection Customer's liability for the cost consequences of any current tax liability under this Article 5.17 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that Interconnection Customer will pay Transmission Provider, in addition to the amount paid for the Interconnection Facilities and Network Upgrades, an amount equal to (1) the current taxes imposed on Transmission Provider ("Current Taxes") on the excess of (a) the gross income realized by Transmission Provider as a result of payments or property transfers made by Interconnection Customer to Transmission Provider under this LGIA (without regard to any payments under this Article 5.17) (the "Gross Income Amount") over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property

transfers (the "Present Value Depreciation Amount"), plus (2) an additional amount sufficient to permit Transmission Provider to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1).

For this purpose, (i) Current Taxes shall be computed based on Transmission Provider's composite federal and state tax rates at the
Transmission Provider will be treated as being subject to tax at the highest marginal rates in effect at that time (the "Current Tax Rate"),
computed
by discounting Transmission Provider's anticipated tax depreciation
transfers by
Transmission Provider's current weighted average cost of capital. Thus, the formula for calculating Interconnection Customer's liability to Transmission Owner pursuant to this Article 5.17.4 can be expressed as follows: (Current Tax Rate x (Gross Income Amount – Present Value of Tax Depreciation))/(1-Current Tax Rate). Interconnection Customer's estimated tax liability in the event taxes are imposed shall be stated in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.17.5 Private Letter Ruling or Change or Clarification of Law. At Interconnection Customer's request and expense, Transmission Provider shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Interconnection Customer to Transmission Provider under this LGIA are subject to federal income taxation. Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Interconnection Customer's knowledge. Transmission Provider and Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

Transmission Provider shall keep Interconnection Customer fully informed of the status of such request for a private letter ruling and shall execute either a privacy act waiver or a limited power of attorney, in a form acceptable to the IRS, that authorizes Interconnection Customer to participate in all discussions with the IRS regarding such request for a private letter ruling. Transmission Provider shall allow Interconnection Customer to attend all meetings with IRS officials about the request and shall permit Interconnection Customer to prepare the initial drafts of any follow-up letters in connection with the request.

5.17.6 Subsequent Taxable Events. If, within 10 years from the date on which the relevant Transmission Provider's Interconnection Facilities are placed in service, (i) Interconnection Customer Breaches the covenants contained in Article 5.17.2, (ii) a "disqualification event" occurs within the meaning of IRS Notice 88-129, or (iii) this LGIA terminates and Transmission Provider retains ownership of the Interconnection Facilities and Network Upgrades, Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on Transmission Provider, calculated using the methodology described in Article 5.17.4 and in accordance with IRS Notice 90-60.

5.17.7 Contests. In the event any Governmental Authority determines that Transmission Provider's receipt of payments or property constitutes income that is subject to taxation, Transmission Provider shall notify Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by Interconnection Customer and at Interconnection Customer's sole expense, Transmission Provider may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Interconnection Customer's written request and sole expense, Transmission Provider may file a claim for refund with respect to any taxes paid under this

Article 5.17, whether or not it has received such a determination. Transmission Provider reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but Transmission Provider shall keep Interconnection Customer informed, shall consider in good faith suggestions from Interconnection Customer about the conduct of the contest, and shall reasonably permit Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission prosecuting such appeal, protest, abatement or other contest. At any time during the contest, with written advice from nationally-recognized tax counsel, selected by Transmission Provider, but reasonably acceptable to Interconnection Customer, that the proposed settlement represents a reasonable settlement given obligation to by of the nationally-recognized tax counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully grossed-up basis to cover any related cost consequences of the current tax liability. Any settlement without Interconnection Customer's consent or such written advice will relieve Interconnection Customer from any obligation to indemnify Transmission Provider for the tax at issue in the contest.

5.17.8 Refund. In the event that (a) a private letter ruling is issued to Transmission Provider which holds that any amount paid or the value of any property transferred by Interconnection Customer to

Transmission Provider under the terms of this LGIA is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Transmission Provider in good faith that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Provider under the terms of this LGIA is not taxable to Transmission Provider, (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by Interconnection Customer to Transmission Provider are not subject to federal income tax, or (d) if Transmission Provider receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by Interconnection Customer to Transmission Provider pursuant to this LGIA, Transmission Provider shall promptly refund to Interconnection Customer the following:

(i) any payment made by Interconnection Customer under this Article 5.17 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon,

(ii) interest on any amounts paid by Interconnection Customer to Transmission Provider for such taxes which Transmission Provider did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC's regulations at 18 CFR §35.19a(a)(2)(iii) from the date payment was made by Interconnection Customer to the date Transmission Provider refunds such payment to Interconnection Customer, and

(iii) with respect to any such taxes paid by Transmission Provider, any refund or credit Transmission Provider receives or to which it may be entitled from any Governmental Authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to Transmission

Provider for such overpayment of taxes (including any reduction in interest otherwise payable by Transmission Authority resulting from an offset or credit); provided, however, that Transmission Provider will remit such amount promptly to Interconnection Customer only after and to the extent that Transmission credit or offset from any Governmental Authority for any applicable overpayment of Provider's Interconnection Facilities.

The intent of this provision is to leave the Parties, to the extent practicable, in the event that no taxes are due with respect to any payment for Interconnection Facilities and Network Upgrades hereunder, in the same position they would have been in had no such tax payments been made.

5.17.9 Taxes Other Than Income Taxes. Upon the timely request by Interconnection Customer, and at Interconnection Customer's sole expense, Transmission Provider may appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Transmission Provider for which Interconnection Customer may be required to reimburse Transmission Provider under the terms of this LGIA. Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission prosecuting such appeal, protest, abatement, or other contest. Interconnection Customer and respect to any such contest. Unless the payment of such taxes is a prerequisite amount shall be payable by Interconnection Customer to Transmission Provider for order by any court or agency of competent jurisdiction. In the event that a tax appeal,

Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Transmission Provider.

5.17.10 Transmission Owners Who Are Not Transmission Providers. If Transmission Provider is not the same entity as the Transmission Owner, then (i) all references in this Article 5.17 to Transmission Provider shall be deemed also to refer to and to include the Transmission Owner, as appropriate, and (ii) this LGIA shall not become effective until such Transmission Owner shall have agreed in writing to assume all of the duties and obligations of Transmission Provider under this Article 5.17 of this LGIA.

5.18 Tax Status. Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this LGIA is intended to adversely affect any Transmission Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds.

5.19 Modification.

5.19.1 General. Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide to the other Party sufficient information regarding such modification so that the other Party may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Large Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period

upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

In the case of Large Generating Facility modifications that do not require Interconnection Customer to submit an Interconnection Request, Transmission Provider shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the Transmission System, Transmission Provider's Interconnection Facilities or Network Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

5.19.2 Standards. Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this LGIA and Good Utility Practice.

5.19.3 Modification Costs. Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that Transmission Provider makes to Transmission Provider's Interconnection Facilities or the Transmission System to facilitate the interconnection of a third party to Transmission Provider's Interconnection Facilities or the Transmission System, or to provide transmission service to a third party under Transmission Provider's Tariff. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to Interconnection Customer's Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer's Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

Article 6. Testing and Inspection

6.1 Pre-Commercial Operation Date Testing and Modifications. Prior to the Commercial Operation Date, Transmission Provider shall test Transmission Provider's Interconnection Facilities and Network Upgrades and Interconnection Customer shall test the Large Generating Facility and Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection Customer shall generate test energy at the Large Generating Facility only if it has arranged for the delivery of such test energy.

6.2 Post-Commercial Operation Date Testing and Modifications. Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Large Generating Facility with the Transmission System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.

6.3 Right to Observe Testing. Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.

6.4 Right to Inspect. Each Party shall have the right, but shall have no obligation to: (i) observe the other Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; (ii) review the settings of the other Party's System Protection Facilities and other protective equipment; and (iii) review the other Party's maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the

System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be deemed to be Confidential Information and treated pursuant to Article 22 of this LGIA.

Article 7. Metering

7.1 General. Each Party shall comply with the Electric Reliability Organization requirements. Unless otherwise agreed by the Parties, Transmission Provider shall install Metering Equipment at the Point of Interconnection prior to any operation of the Large Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Large Generating Facility shall be measured at or, at Transmission Provider's option, compensated to, the Point of Interconnection. Transmission Provider shall provide metering quantities, in analog and/or digital form, to Interconnection Customer upon request. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.

7.2 Check Meters. Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check Transmission Provider's meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this LGIA, except as provided in Article 7.4 below. The check meters shall be subject at all reasonable times to inspection and examination by Transmission Provider or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.

7.3 Standards. Transmission Provider shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards.

7.4 Testing of Metering Equipment. Transmission Provider shall inspect and test all Transmission Provider-owned Metering Equipment upon installation and at least once every two (2) years thereafter. If requested to do so by Interconnection Customer, Transmission Provider shall, at Interconnection Customer's expense, inspect or test Metering Equipment more frequently than every two (2) years. Transmission Provider shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer's expense, in order to provide accurate metering, unless the inaccuracy or defect is due to Transmission Provider's failure to maintain, then Transmission Provider shall pay. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than two percent from the measurement made by the standard meter used in the test, Transmission Provider shall adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using Interconnection Customer's check meters, if installed. If no such check meters are installed or if the period cannot be reasonably ascertained, the adjustment shall be for the period immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last previous test of the Metering Equipment.

7.5 Metering Data. At Interconnection Customer's expense, the metered data shall be telemetered to one or more locations designated by Transmission Provider and one or more locations designated by Interconnection Customer. Such telemetered data shall be used, under normal operating conditions, as the official measurement of the amount of energy delivered from the Large Generating Facility to the Point of Interconnection.

Article 8. Communications

8.1 Interconnection Customer Obligations. Interconnection Customer shall maintain satisfactory operating communications with Transmission Provider's Transmission System dispatcher or representative designated by Transmission

Provider. Interconnection Customer shall provide standard voice line, dedicated voice line and facsimile communications at its Large Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to Transmission Provider as set forth in Appendix D, Security Arrangements Details. The data circuit(s) shall extend from the Large Generating Facility to the location(s) specified by Transmission Provider. Any required maintenance of such communications equipment shall be performed by Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.

8.2 Remote Terminal Unit. Prior to the Initial Synchronization Date of the Large Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by Transmission Provider at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Transmission Provider through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The communication protocol for the data circuit(s) shall be specified by Transmission Provider. Instantaneous bi-directional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by Transmission Provider.

Each Party will promptly advise the other Party if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.

8.3 No Annexation. Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.

8.4 Provision of Data from a Variable Energy Resource. Interconnection Customer whose Generating Facility contains at least one Variable Energy Resource shall provide meteorological and forced outage data to Transmission Provider to the extent necessary for Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. Interconnection Customer with a Variable Energy Resource having wind as the energy source, at a minimum, will be required to provide Transmission Provider with site-specific meteorological data including: temperature, wind speed, wind direction, and atmospheric pressure. Interconnection Customer with a Variable Energy Resource having solar as the energy source, at a minimum, will be required to provide Transmission Provider with site-specific meteorological data including: temperature, atmospheric pressure, and irradiance. Transmission Provider and Interconnection Customer whose Generating Facility contains a Variable Energy Resource shall mutually agree to any additional meteorological data that are required for the development and deployment of a power production forecast. Interconnection Customer whose Generating Facility contains a Variable Energy Resource also shall submit data to Transmission Provider regarding all forced outages to the extent necessary for Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The exact specifications of the meteorological and forced outage data to be provided by Interconnection Customer to Transmission Provider, including the frequency and timing of data submittals, shall be made taking into account the size and configuration of the Variable Energy Resource, its characteristics, location, and its importance in maintaining generation resource adequacy and transmission system reliability in its area. All requirements for meteorological and forced outage data must be commensurate with the power production forecasting employed by Transmission Provider. Such requirements for meteorological and forced outage data are set forth in Appendix C, Interconnection Details, of this LGIA, as they may change from time to time.

Article 9. Operations

9.1 General. Each Party shall comply with the Electric Reliability Organization requirements. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

9.2 Balancing Authority Area Notification. At least three months before Initial Synchronization Date, Interconnection Customer shall notify Transmission Provider in writing of the Balancing Authority Area in which the Large Generating Facility will be located. If Interconnection Customer elects to locate the Large Generating Facility in a Balancing Authority Area other than the Balancing Authority Area in which the Large Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this LGIA, and remote Balancing Authority Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the other Balancing Authority Area.

9.3 Transmission Provider Obligations. Transmission Provider shall cause the Transmission System and Transmission Provider's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA. Transmission Provider may provide operating instructions to Interconnection Customer consistent with this LGIA and Transmission Provider's operating protocols and procedures as they may change from time to time. Transmission Provider will consider changes to its operating protocols and procedures proposed by Interconnection Customer.

9.4 Interconnection Customer Obligations. Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA. Interconnection Customer shall operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Balancing Authority Area of which it is part, as such requirements are set forth in

Appendix C, Interconnection Details, of this LGIA. Appendix C, Interconnection Details, will be modified to reflect changes to the requirements as they may change from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this LGIA.

9.5 Start-Up and Synchronization. Consistent with the Parties' mutually acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Large Generating Facility to Transmission Provider's Transmission System.

9.6 Reactive Power and Primary Frequency Response.

9.6.1 Power Factor Design Criteria.

9.6.1.1 Synchronous Generation. Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless Transmission Provider has established different requirements that apply to all synchronous generators in the Balancing Authority Area on a comparable basis.

9.6.1.2 Non-Synchronous Generation. Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation at a power factor within the range of 0.95 leading to 0.95 lagging, unless Transmission Provider has established a different power factor range that applies to all non-synchronous generators in the Balancing Authority Area on a comparable basis. This

power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors, or a combination of the two. This requirement shall only apply to newly interconnecting non-synchronous generators that have not yet executed a Facilities Study Agreement as of the effective date of the Final Rule establishing this requirement (Order No. 827).

9.6.2 Voltage Schedules. Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Transmission Provider shall require Interconnection Customer to operate the Large Generating Facility to produce or absorb reactive power within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). Transmission Provider's voltage schedules shall treat all sources of reactive power in the Balancing Authority Area in an equitable and not unduly discriminatory manner. Transmission Provider shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one (1) day in advance, and may make changes to such schedules as necessary to maintain the reliability of the Transmission System. Interconnection Customer shall operate the Large Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the System Operator.

9.6.2.1 Voltage Regulators. Whenever the Large Generating Facility is operated in parallel with the Transmission System and voltage regulators are capable of operation, Interconnection Customer shall operate the Large Generating Facility with its voltage regulators in automatic operation. If the Large Generating Facility's voltage regulators are not capable of such automatic operation, Interconnection

Customer shall immediately notify Transmission Provider's system operator, or its designated representative, and ensure that such Large Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Large Generating Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the Transmission System or trip any generating unit comprising the Large Generating Facility for
abnormal
beyond the
limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators in the Balancing

9.6.3 Payment for Reactive Power. Transmission Provider is required to pay Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Large Generating Facility when Transmission Provider requests Interconnection Customer to operate its Large Generating Facility outside the range specified in Article 9.6.1, provided that if Transmission Provider pays its own or affiliated generators for reactive power service within the specified range, it must also pay Interconnection Customer. Payments shall be pursuant to Article 11.6 or such other agreement to which the Parties have otherwise agreed.

9.6.4 Primary Frequency Response. Interconnection Customer shall ensure the primary frequency response capability of its Large Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term "functioning governor or equivalent controls" as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Large Generating Facility's real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations.

Interconnection Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop and ±0.036 Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from an approved Electric Reliability Organization reliability standard providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Large Generating Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based an approved Electric Reliability Organization reliability standard providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Large Generating Facility's real power output in response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected change in the Large Generating Facility's real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with an approved Electric Reliability Organization reliability standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify Transmission Provider that the primary frequency response capability of the Large Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission system, Interconnection Customer shall operate the Large Generating Facility consistent with the provisions specified in articles 9.6.4.1 and 9.6.4.2 of this Agreement. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Large Generating Facilities.

9.6.4.1 **Governor or Equivalent Controls.** Whenever the Large Generating Facility is operated in parallel with the Transmission System, Interconnection Customer shall operate the Large Generating Facility with its governor or equivalent

controls in service and responsive to frequency. Interconnection Customer shall: (1) in coordination with Transmission Provider and/or the relevant balancing authority, set the deadband parameter to: (1) a maximum of ±0.036 Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop and deadband settings from an approved Electric Reliability Organization reliability standard that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to Transmission Provider and/or the relevant balancing authority upon request. If Interconnection Customer needs to operate the Large Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify Transmission Provider and the relevant balancing authority, and provide both with the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to keep outages of the Large Generating Facility's governor or equivalent controls to a minimum whenever the Large Generating Facility is operated in parallel with the Transmission System.

9.6.4.2 **Timely and Sustained Response.** Interconnection Customer shall ensure that the Large Generating Facility's real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Large Generating Facility has operating

capability in the direction needed to correct the frequency deviation. Interconnection Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Large Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. A Commission-approved reliability standard with equivalent or more stringent requirements shall supersede the above requirements.

9.6.4.3 **Exemptions.** Large Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from articles 9.6.4, 9.6.4.1, and 9.6.4.2 of this Agreement. Large Generating Facilities that are behind the meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in article 9.6.4, but shall be otherwise exempt from the operating requirements in articles 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.4 of this Agreement.

9.6.4.4 **Electric Storage Resources.** Interconnection Customer interconnecting a Generating Facility that contains an electric storage resource shall establish an operating range in Appendix C of its LGIA that specifies a minimum state of

charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in articles 9.6.4, 9.6.4.1, 9.6.4.2 and 9.6.4.3 of this Agreement. Appendix C shall specify whether the operating range is static
magnitude of
frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities
limitations of
the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by Transmission Provider and Interconnection Customer, and in consultation with the relevant transmission owner or balancing authority as appropriate. If the operating range is dynamic, then Appendix C must establish how frequently the
may

Interconnection Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with article 9.6.4.2 of this Agreement when it is online and dispatched to inject electricity to the Transmission System and/or receive electricity from the Transmission System. This excludes circumstances when the electric storage resource is not dispatched to inject electricity to the Transmission System and/or dispatched to receive electricity from the Transmission System. If Interconnection

Customer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Interconnection Customer's electric storage resource is not required to change

from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

9.7 Outages and Interruptions.

9.7.1 Outages.

9.7.1.1 Outage Authority and Coordination. Each Party may in accordance with Good Utility Practice in coordination with the other Party remove from service any of its respective Interconnection Facilities or Network Upgrades that may impact the other Party's facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service will use Reasonable Efforts to schedule such removal on a date and time mutually acceptable to the Parties. In all circumstances, any Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Party of such removal.

9.7.1.2 Outage Schedules. Transmission Provider shall post scheduled outages of its transmission facilities on the OASIS. Interconnection Customer shall submit its planned maintenance schedules for the Large Generating Facility to Transmission Provider for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its planned maintenance schedules as necessary. Transmission Provider may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the Transmission System; provided, however, adequacy of

generation supply shall not be a criterion in determining Transmission System reliability. Transmission Provider shall compensate Interconnection Customer for any additional direct costs that Interconnection Customer incurs as a result of having to reschedule maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent Transmission Provider's request to reschedule maintenance. Interconnection Customer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, Interconnection Customer had modified its schedule of maintenance activities.

9.7.1.3 Outage Restoration. If an outage on a Party's Interconnection Facilities or Network Upgrades adversely affects the other Party's operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, to the extent such information is known, information on the nature of the Emergency Condition, an estimated time of restoration, and any corrective actions required. Initial verbal notice shall be followed up as soon as practicable with written notice explaining the nature of the outage.

9.7.2 Interruption of Service. If required by Good Utility Practice to do so, Transmission Provider may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect Transmission Provider's ability to perform such activities as are necessary to safely and reliably operate and maintain the Transmission System. The following provisions shall apply to any interruption or reduction permitted under this Article 9.7.2:

9.7.2.1 The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice;

9.7.2.2 Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all generating facilities directly connected to the Transmission System;

9.7.2.3 When the interruption or reduction must be made under circumstances which do not allow for advance notice, Transmission Provider shall notify Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written notification as soon as practicable;

9.7.2.4 Except during the existence of an Emergency Condition, when the interruption or reduction can be scheduled without advance notice, Transmission Provider shall notify Interconnection Customer in advance regarding the timing of such scheduling and further notify Interconnection Customer of the expected duration. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to Interconnection Customer and Transmission Provider;

9.7.2.5 The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Large Generating Facility, Interconnection Facilities, and the Transmission System to their normal operating state, consistent with system conditions and Good Utility Practice.

9.7.3 Ride Through Capability and Performance. The Transmission System is designed to automatically activate a load-shed program as required by the Electric Reliability Organization in the event of an under-frequency system disturbance. Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Large Generating Facility as required by the Electric Reliability Organization to ensure frequency "ride through" capability of the Transmission System. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with Transmission Provider in accordance with Good Utility Practice. Interconnection Customer shall also implement under-voltage and over-voltage relay set points, or equivalent electronic controls, as required by the Electric Reliability Organization to ensure voltage "ride through" capability of the Transmission System. The term "ride through" as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the Transmission System during system disturbances within a range of under-frequency, over-frequency, under-voltage, and over-voltage conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to
on a comparable basis. For abnormal frequency conditions and voltage conditions within the "no trip zone" defined by Reliability Standard PRC-
the non-
synchronous Large Generating Facility must ensure that, within any physical limitations of the Large Generating Facility, its control and protection settings are configured or set to (1) continue active power production during disturbance and post disturbance periods at pre-disturbance levels, unless reactive power priority mode is enabled or unless
response; (2)
dynamic voltage
and current limits, if reactive power priority mode is enabled, unless providing primary frequency response or fast frequency response; (3) not
disturbances; and
(4) return to pre-disturbance active power levels without artificial ramp rate
frequency

9.7.4 System Protection and Other Control Requirements.

9.7.4.1 **System Protection Facilities.** Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider shall install at Interconnection Customer's expense any System Protection Facilities that may be required on Transmission Provider's Interconnection Facilities or the Transmission System as a result of the interconnection of the Large Generating Facility and Interconnection Customer's Interconnection Facilities.

9.7.4.2 Each Party's protection facilities shall be designed and coordinated with other systems in accordance with Good Utility Practice.

9.7.4.3 Each Party shall be responsible for protection of its facilities consistent with Good Utility Practice.

9.7.4.4 Each Party's protective relay design shall incorporate the necessary test switches to perform the tests required in Article 6. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of Interconnection Customer's units.

9.7.4.5 Each Party will test, operate and maintain System Protection Facilities in accordance with Good Utility Practice.

9.7.4.6 Prior to the In-Service Date, and again prior to the Commercial Operation Date, each Party or its agent shall perform a complete calibration test and functional trip test of the System Protection Facilities. At intervals suggested by Good Utility Practice and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its System Protection Facilities. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

9.7.5 Requirements for Protection. In compliance with Good Utility Practice, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the Transmission System not otherwise isolated by Transmission Provider's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Transmission System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Large Generating Facility and the Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Large Generating Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and Interconnection Customer's other equipment
affect the Large
Generating Facility.

9.7.6 Power Quality. Neither Party's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard. In the event of a conflict between ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, ANSI Standard C84.1-1989, or the applicable superseding electric industry standard, shall control.

9.8 Switching and Tagging Rules. Each Party shall provide the other Party a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

9.9 Use of Interconnection Facilities by Third Parties.

9.9.1 Purpose of Interconnection Facilities. Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Large Generating Facility to the Transmission System and shall be used for no other purpose.

9.9.2 Third Party Users. If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use Transmission Provider's Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology.

In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to FERC for resolution.

9.10 Disturbance Analysis Data Exchange. The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or Transmission Provider's Transmission System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.

Article 10. Maintenance

10.1 Transmission Provider Obligations. Transmission Provider shall maintain the Transmission System and Transmission Provider's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.2 Interconnection Customer Obligations. Interconnection Customer shall maintain the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.3 Coordination. The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Large Generating Facility and the Interconnection Facilities.

10.4 Secondary Systems. Each Party shall cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

10.5 Operating and Maintenance Expenses. Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of Transmission Provider's Interconnection Facilities.

Article 11. Performance Obligation

11.1 Interconnection Customer Interconnection Facilities. Interconnection Customer shall design, procure, construct, install, own and/or control Interconnection Customer Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at its sole expense.

11.2 Transmission Provider's Interconnection Facilities. Transmission Provider or Transmission Owner shall design, procure, construct, install, own and/or control

Transmission Provider's Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at the sole expense of Interconnection Customer.

11.3 Network Upgrades and Distribution Upgrades. Transmission Provider or Transmission Owner shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades. Interconnection Customer shall be responsible for all costs related to Distribution Upgrades. Unless Transmission Provider or Transmission Owner elects to fund the capital for the Network Upgrades, they shall be solely funded by Interconnection Customer.

11.4 Transmission Credits.

11.4.1 Repayment of Amounts Advanced for Network Upgrades. Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to Transmission Provider and Affected System Operator, if any, for the Network Upgrades, including any tax gross-up or other tax-related payments associated with Network Upgrades, and not refunded to Interconnection Customer pursuant to Article 5.17.8 or otherwise, to be paid to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under Transmission Provider's Tariff and Affected System's Tariff for transmission services with respect to the Large Generating Facility. Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. Interconnection Customer may assign such repayment rights to any person.

Notwithstanding the foregoing, Interconnection Customer, Transmission Provider, and Affected System Operator may adopt any alternative payment schedule that is mutually agreeable so long as Transmission Provider and Affected System Operator take one of the following actions no later than five years from the Commercial Operation Date: (1) return to Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that Transmission Provider or Affected System Operator will continue to provide payments to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the Commercial Operation Date.

If the Large Generating Facility fails to achieve commercial operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, Transmission Provider and Affected System Operator shall at that time reimburse Interconnection Customer for the amounts advanced for the Network Upgrades. Before any such reimbursement can occur, Interconnection Customer, or the entity that ultimately constructs the Generating Facility, if different, is responsible for identifying the entity to which reimbursement must be made.

11.4.2 Special Provisions for Affected Systems. Unless Transmission Provider provides, under the LGIA, for the repayment of amounts advanced to Affected System Operator for Network Upgrades, Interconnection Customer and Affected System Operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by Interconnection Customer to the Affected System Operator as well as the repayment by the Affected System Operator.

11.4.3 Notwithstanding any other provision of this LGIA, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that Interconnection Customer, shall be entitled to, now or in the future under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Large Generating Facility.

11.5 Provision of Security. At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, Interconnection Customer shall provide Transmission Provider, at Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Transmission Provider and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1. Such security for payment, as specified in Appendix B of this LGIA, shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to Transmission Provider for these purposes. Transmission Provider must use the LGIA Deposit required in Section 11.3 of the LGIP before requiring Interconnection Customer to submit security in addition to that LGIA Deposit. Transmission Provider must specify, in Appendix B of this LGIA, the dates for which Interconnection Customer must provide additional security for construction of each discrete portion of Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and Interconnection Customer must provide such additional security.

In addition:

11.5.1 The guarantee must be made by an entity that meets the creditworthiness requirements of Transmission Provider, and contain terms and conditions that guarantee payment of any amount that may be due from Interconnection Customer, up to an agreed-to maximum amount.

11.5.2 The letter of credit must be issued by a financial institution reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

11.5.3 The surety bond must be issued by an insurer reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

11.6 Interconnection Customer Compensation. If Transmission Provider requests or directs Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for Reactive Power), or 13.5.1 of this LGIA, Transmission Provider shall compensate Interconnection Customer in accordance with Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to an RTO or ISO FERC-approved rate schedule. Interconnection Customer shall serve Transmission Provider or RTO or ISO with any filing of a proposed rate schedule at the time of such filing with FERC. To the extent that no rate schedule is in effect at the time Interconnection Customer is required to provide or absorb any Reactive Power under this LGIA, Transmission Provider agrees to compensate Interconnection Customer in such amount as would have been due Interconnection Customer had the rate schedule been in effect at the time service commenced; provided, however, that such rate schedule must be filed at FERC or other appropriate Governmental Authority within sixty (60) Calendar Days of the commencement of service.

11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition. Transmission Provider or RTO or ISO shall

compensate Interconnection Customer for its provision of real and reactive power and other Emergency Condition services that Interconnection Customer provides to support the Transmission System during an Emergency Condition in accordance with Article 11.6.

Article 12. Invoice

12.1 General. Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this LGIA, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

12.2 Final Invoice. Within six months after completion of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades, Transmission Provider shall provide an invoice of the final cost of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Transmission Provider shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

12.3 Payment. Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and

account designated by the invoicing Party. Payment of invoices by either Party will not constitute a waiver of any rights or claims either Party may have under this LGIA.

12.4 Disputes. In the event of a billing dispute between Transmission Provider and Interconnection Customer, Transmission Provider shall continue to provide Interconnection Service under this LGIA as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Transmission Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then Transmission Provider may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accord with the methodology set forth in FERC's regulations at 18 CFR § 35.19a(a)(2)(iii).

Article 13. Emergencies

13.1 Definition. "Emergency Condition" shall mean a condition or situation: (i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (ii) that, in the case of Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (iii) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to**,** the Large Generating Facility or Interconnection Customer's Interconnection Facilities' System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by this LGIA to possess black start capability.

13.2 Obligations. Each Party shall comply with the Emergency Condition procedures of the applicable ISO/RTO, the Electric Reliability Organization, Applicable Laws and Regulations, and any emergency procedures agreed to by the Joint Operating Committee.

13.3 Notice. Transmission Provider shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects Transmission Provider's Interconnection Facilities or the Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Transmission Provider promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the Transmission System or Transmission Provider's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer's or Transmission Provider's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.

13.4 Immediate Action. Unless, in Interconnection Customer's reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Transmission Provider, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Large Generating Facility or Interconnection Customer's Interconnection Facilities in response to an Emergency Condition either declared by Transmission Provider or otherwise regarding the Transmission System.

13.5 Transmission Provider Authority.

13.5.1 General. Transmission Provider may take whatever actions or inactions with regard to the Transmission System or Transmission Provider's Interconnection Facilities it deems necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Transmission System or Transmission Provider's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

Transmission Provider shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider may, on the basis of technical considerations, require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing Interconnection Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of Transmission Provider's operating instructions concerning Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

13.5.2 Reduction and Disconnection. Transmission Provider may reduce Interconnection Service or disconnect the Large Generating Facility or Interconnection Customer's Interconnection Facilities, when such, reduction or disconnection is necessary under Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from any right of curtailment of Transmission Provider pursuant to

Transmission Provider's Tariff. When Transmission Provider can schedule the reduction or disconnection in advance, Transmission Provider shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and Transmission Provider. Any reduction or disconnection shall continue only for so long as reasonably necessary under Good Utility Practice. The Parties shall cooperate with each other to restore the Large Generating Facility, the Interconnection Facilities, and the Transmission System to their normal operating state as soon as practicable consistent with Good Utility Practice.

13.6 Interconnection Customer Authority. Consistent with Good Utility Practice and the LGIA and the LGIP, Interconnection Customer may take actions or inactions with regard to the Large Generating Facility or Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Large Generating Facility or Interconnection Customer's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Transmission System and Transmission Provider's Interconnection Facilities. Transmission Provider shall use Reasonable Efforts to assist Interconnection Customer in such actions.

13.7 Limited Liability. Except as otherwise provided in Article 11.6.1 of this LGIA, neither Party shall be liable to the other for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.

Article 14. Regulatory Requirements and Governing Law

14.1 Regulatory Requirements. Each Party's obligations under this LGIA shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this LGIA shall require Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act, the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978.

14.2 Governing Law.

14.2.1 The validity, interpretation and performance of this LGIA and each of its provisions shall be governed by the laws of the state where the Point of Interconnection is located, without regard to its conflicts of law principles.

14.2.2 This LGIA is subject to all Applicable Laws and Regulations.

14.2.3 Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

Article 15. Notices.

15.1 General. Unless otherwise provided in this LGIA, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or

delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.

Either Party may change the notice information in this LGIA by giving five (5) Business Days written notice prior to the effective date of the change.

15.2 Billings and Payments. Billings and payments shall be sent to the addresses set out in Appendix F.

15.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F.

15.4 Operations and Maintenance Notice. Each Party shall notify the other Party in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10.

Article 16. Force Majeure

16.1 Force Majeure.

16.1.1 Economic hardship is not considered a Force Majeure event.

16.1.2 Neither Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill

any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

Article 17. Default

17.1 Default

17.1.1 **General**. No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this LGIA or the result of an act of omission of the other Party. Upon a Breach, the non-breaching Party shall give written notice of such Breach to the breaching Party. Except as provided in Article 17.1.2, the breaching Party shall have thirty (30) Calendar Days from receipt of the Default notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety

17.1.2 (90) Calendar Days from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist. The opportunity to cure provided in this Section is subject to applicable deadlines in this LGIA, and this Section does not extend the deadlines in this LGIA; provided however, that in the event the Interconnection Customer fails to timely post financial security pursuant to this LGIA or the milestones listed in Appendix B due to extenuating circumstances that could not have been avoided through the

exercise of reasonable care and effort, the Transmission Provider will accommodate a maximum two (2) Business Day extension if the Interconnection Customer remedies the delay, identifies the extenuating circumstances, and provides supporting documentation within this time. **Right to Terminate.** If a Breach is not cured as provided in this article, or if a Breach is not capable of being cured within the period provided for herein, the non-breaching Party shall have the right to declare a Default and terminate this LGIA by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this LGIA, to recover from the breaching 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 article will survive termination of this LGIA.

17.2 Violation of Operating Assumptions for Generating Facilities. If Transmission Provider requires Interconnection Customer to memorialize the operating assumptions for the charging behavior of a Generating Facility that includes at least one electric storage resource in Appendix H of this LGIA, Transmission Provider may consider Interconnection Customer to be in Breach of the LGIA if Interconnection Customer fails to operate the Generating Facility in accordance with those operating assumptions for charging behavior. However, if Interconnection Customer operates contrary to the operating assumptions for charging behavior specified in Appendix H of this LGIA at the direction of Transmission Provider, Transmission Provider shall not consider Interconnection Customer in Breach of this LGIA.

Article 18. Indemnity, Consequential Damages and Insurance

18.1 Indemnity. The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under this LGIA on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

18.1.1 **Indemnified Person.** If an Indemnified Person is entitled to indemnification under this Article 18 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 18.1, to assume the defense of such claim, such Indemnified Person may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

18.1.2 **Indemnifying Party.** If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Article 18, the amount owing to the Indemnified Person shall be the amount of such Indemnified Person's actual Loss, net of any insurance or other recovery.

18.1.3 **Indemnity Procedures.** Promptly after receipt by an Indemnified Person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Article 18.1 may apply, the Indemnified Person shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.

The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Person. If the defendants in any such action include one or more Indemnified Persons and the Indemnifying Party and if the Indemnified Person reasonably concludes that there may be legal defenses available to it and/or other Indemnified Persons which are different from or additional to those available to the Indemnifying Party, the Indemnified Person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on

its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Person or Indemnified Persons having such differing or additional legal defenses.

The Indemnified Person shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit
Indemnified Person and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Person, or there exists a conflict or adversity of interest
Party, in such
event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Person, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Person, which shall not be reasonably withheld, conditioned or delayed.

18.2 Consequential Damages. Other than the Liquidated Damages heretofore described, in no event shall either Party be liable under any provision of this LGIA 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.

18.3 Insurance. Each party shall, at its own expense, maintain in force throughout the period of this LGIA, and until released by the other Party, the following minimum

insurance coverages, with insurers authorized to do business in the state where the Point of Interconnection is located:

18.3.1 Employers' Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the state in which the Point of Interconnection is located.

18.3.2 Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of One Million Dollars ($1,000,000) per occurrence/One Million Dollars ($1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.

18.3.3 Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars ($1,000,000) per occurrence for bodily injury, including death, and property damage.

18.3.4 Excess Public Liability Insurance over and above the Employers' Liability Commercial General Liability and Comprehensive Automobile Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars ($20,000,000) per occurrence/Twenty Million Dollars ($20,000,000) aggregate.

18.3.5 The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Public Liability Insurance policies shall name the other Party, its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this LGIA against the Other Party Group and provide thirty (30) Calendar Days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.

18.3.6 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.

18.3.7 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination
tail coverage or
extended reporting period coverage if agreed by the Parties.

18.3.8 The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this LGIA.

18.3.9 Within ten (10) Business Days following execution of this LGIA, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) Calendar Days thereafter, each Party shall provide certification of all insurance required in this LGIA, executed by each insurer or by an authorized representative of each insurer.

18.3.10 Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.8 to the extent it maintains a self-insurance program; provided that, such Party's senior secured debt is rated at investment grade or better by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.8. For any period of time that a Party's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Articles 18.3.2 through 18.3.9. In the event that a Party is permitted to self-insure pursuant to this article, it shall notify the other Party that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 18.3.9.

18.3.11 The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this LGIA.

Article 19. Assignment

19.1 Assignment. This LGIA may be assigned by either Party only with the written consent of the other; provided that either Party may assign this LGIA without the consent of the other Party to any Affiliate of the assigning Party with an equal or

greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this LGIA; and provided further that Interconnection Customer shall have the right to assign this LGIA, without the consent of Transmission Provider, for collateral security purposes to aid in providing financing for the Large Generating Facility, provided that Interconnection Customer will promptly notify Transmission Provider of any such assignment. Any financing arrangement entered into by Interconnection Customer pursuant to this article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify Transmission Provider of the date and particulars of any such exercise of assignment right(s), including providing Transmission Provider with proof that it meets the requirements of Articles 11.5 and 18.3. Any attempted assignment that violates this article is void and ineffective. Any assignment under this LGIA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

Article 20. Severability

20.1 Severability. If any provision in this LGIA is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this LGIA; provided that if Interconnection Customer (or any third party, but only if such third party is not acting at the direction of Transmission Provider) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

Article 21. Comparability

21.1 Comparability. The Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

Article 22. Confidentiality

22.1 Confidentiality. Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of this LGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Article 22 warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

22.1.1 Term. During the term of this LGIA, and for a period of three (3) years after the expiration or termination of this LGIA, except as otherwise provided in this Article 22, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

22.1.2 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the

public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this LGIA; or (6) is required, in accordance with Article 22.1.7 of the LGIA, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

22.1.3 **Release of Confidential Information.** Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this LGIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.

22.1.4 **Rights.** Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party.

The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

22.1.5 **No Warranties.** By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

22.1.6 **Standard of Care.** Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this LGIA or its regulatory requirements.

22.1.7 **Order of Disclosure.** If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

22.1.8 Termination of Agreement. Upon termination of this LGIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.

22.1.9 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 22, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.

22.1.10 Disclosure to FERC, its Staff, or a State. Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this LGIA, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR section 388.112,

request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this LGIA prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

22.1.11 Subject to the exception in Article 22.1.10, any information that a Party claims is competitively sensitive, commercial or financial information under this LGIA ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIA or as a transmission service provider or a Balancing Authority Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing
and agrees
to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public

disclosure by confidentiality agreement, protective order or other reasonable measures.

Article 23. Environmental Releases

23.1 Each Party shall notify the other Party, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Large Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

Article 24. Information Requirements

24.1 Information Acquisition. Transmission Provider and Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.

24.2 Information Submission by Transmission Provider. The initial information submission by Transmission Provider shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include Transmission System information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis Transmission Provider shall provide Interconnection Customer a status report on the construction and installation of Transmission Provider's Interconnection Facilities and Network Upgrades, including, but not limited to, the following information: (1) progress to

date; (2) a description of the activities since the last report (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

24.3 Updated Information Submission by Interconnection Customer. The updated information submission by Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. Interconnection Customer shall submit a completed copy of the Large Generating Facility data requirements contained in Appendix 1 to the LGIP. It shall also include any additional information provided to Transmission Provider for the Cluster Study and Facilities Study. Information in this submission shall be the most current Large Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Transmission Provider standard models. If there is no compatible model, Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If Interconnection Customer's data is materially different from what was originally provided to Transmission Provider pursuant to the Interconnection Study Agreement between Transmission Provider and Interconnection Customer, then Transmission Provider will conduct appropriate studies to determine the impact on Transmission Provider Transmission System based on the actual data submitted pursuant to this Article 24.3. Interconnection Customer shall not begin Trial Operation until such studies are completed.

24.4 Information Supplementation. Prior to the Operation Date, the Parties shall supplement their information submissions described above in this Article 24 with any and all "as-built" Large Generating Facility information or "as-tested" performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. Interconnection Customer shall conduct tests on the Large Generating Facility as required by Good Utility Practice such as an open circuit "step voltage" test on the Large Generating Facility to verify proper operation of the Large Generating Facility's automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Large Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Large Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Interconnection Customer shall provide validated test recordings showing the responses of Large Generating Facility terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Large Generating Facility's terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Large Generating Facility terminal or field voltages is provided. Large Generating Facility testing shall be conducted and results provided to Transmission Provider for each individual generating unit in a station.

Subsequent to the Operation Date, Interconnection Customer shall provide Transmission Provider any information changes due to equipment replacement, repair, or adjustment. Transmission Provider shall provide Interconnection Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Transmission Provider-owned substation that may affect Interconnection Customer's Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information no later than thirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment.

Article 25. Information Access and Audit Rights

25.1 Information Access. Each Party (the "disclosing Party") shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this LGIA; and

(ii) carry out its obligations and responsibilities under this LGIA. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this LGIA.

25.2 Reporting of Non-Force Majeure Events. Each Party (the "notifying Party") shall notify the other Party when the notifying Party becomes aware of its inability to comply with the provisions of this LGIA for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this LGIA.

25.3 Audit Rights. Subject to the requirements of confidentiality under Article 22 of this LGIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either Party's performance or either Party's satisfaction of obligations under this LGIA. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, Transmission Provider's efforts to allocate responsibility for the provision of reactive support to the Transmission System, Transmission Provider's efforts to allocate responsibility for interruption or reduction of generation on the Transmission System, and each Party's actions in an Emergency Condition. Any audit authorized by this article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party's performance and satisfaction of obligations under this LGIA. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.

25.4 Audit Rights Periods.

25.4.1 Audit Rights Period for Construction-Related Accounts and Records. Accounts and records related to the design, engineering, procurement, and construction of Transmission Provider's Interconnection Facilities and Network Upgrades shall be subject to audit for a period of twenty-four months following Transmission

Provider's issuance of a final invoice in accordance with Article 12.2.

25.4.2 Audit Rights Period for All Other Accounts and Records. Accounts and records related to either Party's performance or satisfaction of all obligations under this LGIA other than those described in Article 25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four months after the event for which the audit is sought.

25.5 Audit Results. If an audit by a Party determines that an overpayment or an underpayment has occurred, a notice of such overpayment or underpayment shall be given to the other Party together with those records from the audit which support such determination.

Article 26. Subcontractors

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

26.2 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this LGIA. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Transmission Provider be liable for the actions or

inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under Article 5 of this LGIA. Any applicable obligation imposed by this LGIA upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

26.3 No Limitation by Insurance. The obligations under this Article 26 will not be limited in any way by any limitation of subcontractor's insurance.

Article 27. Disputes

27.1 Submission. In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this LGIA or its performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.

27.2 External Arbitration Procedures. Any arbitration initiated under this LGIA shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric

utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail.

27.3 Arbitration Decisions. Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this LGIA and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

27.4 Costs. Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

Article 28. Representations, Warranties, and Covenants

28.1 General. Each Party makes the following representations, warranties and covenants:

28.1.1 Good Standing. Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located**;** and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this LGIA and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this LGIA.

28.1.2 Authority. Such Party has the right, power and authority to enter into this LGIA, to become a Party hereto and to perform its obligations hereunder. This LGIA is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

28.1.3 No Conflict. The execution, delivery and performance of this LGIA does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

28.1.4 Consent and Approval. Such Party has sought or obtained, or, in accordance with this LGIA will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this LGIA, and it will provide to any Governmental Authority notice of any actions under this LGIA that are required by Applicable Laws and Regulations.

Article 29. Joint Operating Committee

29.1 Joint Operating Committee. Except in the case of ISOs and RTOs, Transmission Provider shall constitute a Joint Operating Committee to coordinate operating and technical considerations of Interconnection Service. At least six (6) months prior to the expected Initial Synchronization Date, Interconnection Customer and Transmission Provider shall each appoint one representative and one alternate to the Joint Operating Committee. Each Interconnection Customer shall notify Transmission Provider of its appointment in writing. Such appointments may be changed at any time by similar notice. The Joint Operating Committee shall meet as necessary, but not less than once each calendar year, to carry out the duties set forth herein. The Joint Operating Committee shall hold a meeting at the request of either Party, at a time and place agreed upon by the representatives. The Joint Operating Committee shall perform all of its duties consistent with the provisions of this LGIA. Each Party shall cooperate in providing to the Joint Operating Committee all information required in the performance of the Joint Operating Committee's duties. All decisions and agreements, if any, made by the Joint Operating Committee, shall be evidenced in writing. The duties of the Joint Operating Committee shall include the following:

29.1.1 Establish data requirements and operating record requirements.

29.1.2 Review the requirements, standards, and procedures for data acquisition equipment, protective equipment, and any other equipment or software.

29.1.3 Annually review the one (1) year forecast of maintenance and planned outage schedules of Transmission Provider's and Interconnection Customer's facilities at the Point of Interconnection.

29.1.4 Coordinate the scheduling of maintenance and planned outages on the Interconnection Facilities, the Large Generating Facility and other facilities that impact the normal operation of the interconnection of the Large Generating Facility to the Transmission System.

29.1.5 Ensure that information is being provided by each Party regarding equipment availability.

29.1.6 Perform such other duties as may be conferred upon it by mutual agreement of the Parties.

Article 30. Miscellaneous

30.1 Binding Effect. This LGIA and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

30.2 Conflicts. In the event of a conflict between the body of this LGIA and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this LGIA shall prevail and be deemed the final intent of the Parties.

30.3 Rules of Interpretation. This LGIA, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the

plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this LGIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this LGIA), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this LGIA or such Appendix to this LGIA, or such Section to the LGIP or such Appendix to the LGIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this LGIA as a whole and not to any particular Article or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including," "to" means "to but excluding" and "through" means "through and including."

30.4 Entire Agreement. This LGIA, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this LGIA. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this LGIA.

30.5 No Third Party Beneficiaries. This LGIA is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

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

Any waiver at any time by either Party of its rights with respect to this LGIA shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this LGIA. Termination or Default of this LGIA for any reason by Interconnection Customer shall not constitute a waiver of Interconnection Customer's legal rights to obtain an interconnection from Transmission Provider. Any waiver of this LGIA shall, if requested, be provided in writing.

30.7 Headings. The descriptive headings of the various Articles of this LGIA have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this LGIA.

30.8 Multiple Counterparts. This LGIA may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

30.9 Amendment. The Parties may by mutual agreement amend this LGIA by a written instrument duly executed by the Parties.

30.10 Modification by the Parties. The Parties may by mutual agreement amend the Appendices to this LGIA by a written instrument duly executed by the Parties. Such amendment shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.

30.11 Reservation of Rights. Transmission Provider shall have the right to make a unilateral filing with FERC to modify this LGIA with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section

205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this LGIA pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this LGIA shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

30.12 No Partnership. This LGIA shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power, or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

IN WITNESS WHEREOF, the Parties have executed this LGIA in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

El Paso Electric Company [Transmission Provider and Transmission Owner]

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

Mesquite PV I, LLC [Interconnection Customer]

By: _____

Title: _____

Date: _____

Appendix A to LGIA

INTERCONNCTION FACILITES, NETWORK UPGRADES AND DISTRIBUTION UPGRADES[1]

Description of Project

The Interconnection Customer's project, VS75SB, is a 75 MW photovoltaic ("PV") and 37.5 MW battery energy storage system ("BESS") Large Generating Facility comprised of 21 Power Electronics FS4200M 4200 kVA solar inverters and 10 Power Electronics FP4200M 4200 kVA battery storage inverters with a maximum requested output of 75 MW.[2] The proposed point of interconnection ("POI") will require the construction of a new 115 kV substation (VS75SB POI 115 kV Substation) which will tap into EPE's existing Anthony to Salopek 115 kV transmission line, between the future Vado Substation and existing Salopek Substation. The proposed commercial operation date ("COD") for this project is December 1, 2026.

The VS75SB Generating Facility will connect to the 34.5 kV collector voltage which will be stepped up to the 115 kV transmission system voltage via one 115/34.5 kV power transformer rated at 60/75/100 MVA. A 9 MVAR capacitor bank will be installed at the 34.5 kV collector voltage. A 1-mile long 115 kV overhead transmission line will then connect the VS75SB project to the VS75SB POI 115 kV substation.

The VS75SB Generating Facility has requested Network Resource Interconnection Service ("NRIS"), which is defined in EPE's Large Generator Interconnection Procedures ("LGIP") as an Interconnection Service that allows the Interconnection Customer to integrate with the El Paso Electric Company ("EPE") Transmission System in a manner comparable to that in which EPE integrates its own Generating Facilities to serve native load.

Figure A-1 shows the VS75SB connection and configuration, and Figure A-2 shows the VS75SB general location and assumed VS75SB POI Substation location.

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[1] Transmission Provider's Transmission System was studied and evaluated assuming that senior requests and equal-queued requests, and the facilities identified by Transmission Provider as necessary for such requests, are in effect and in service. This LGIA and its Appendices and Schedules are subject to change, based upon changes to such circumstances.

[2] The project is referred to herein as either "Interconnection Customer's project" or "VS75SB".

Figure A-1:VS75SB POI Connection and Configuration

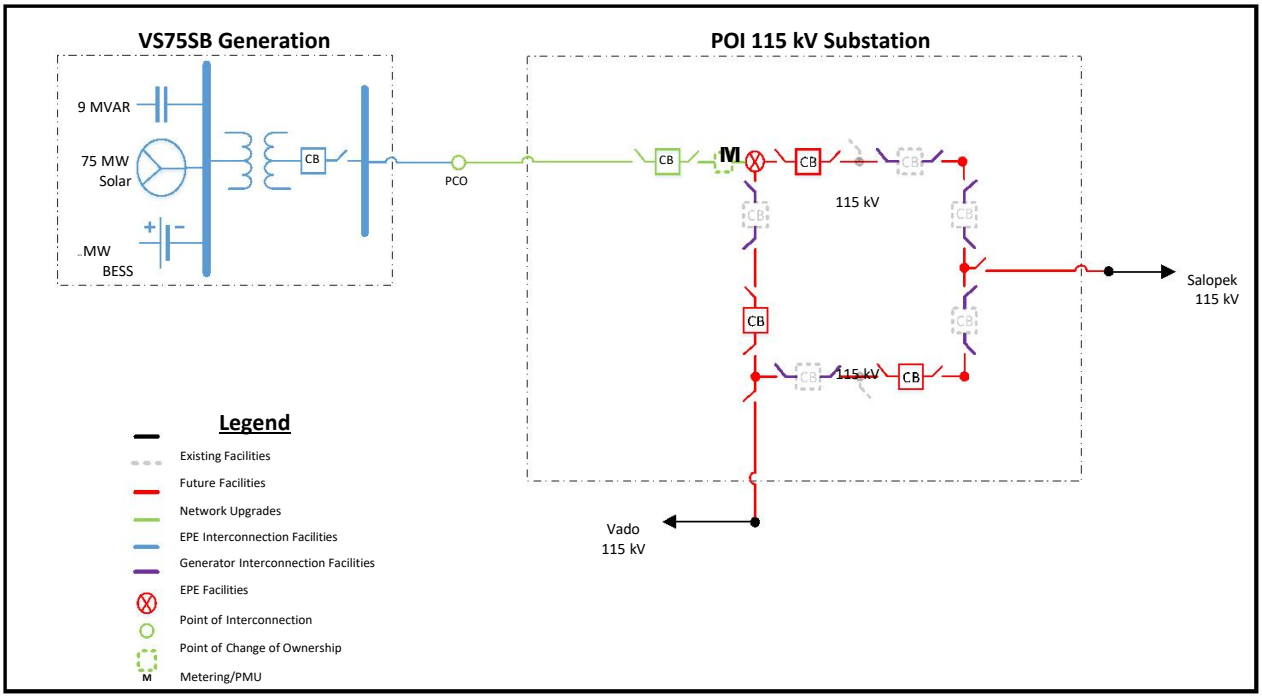
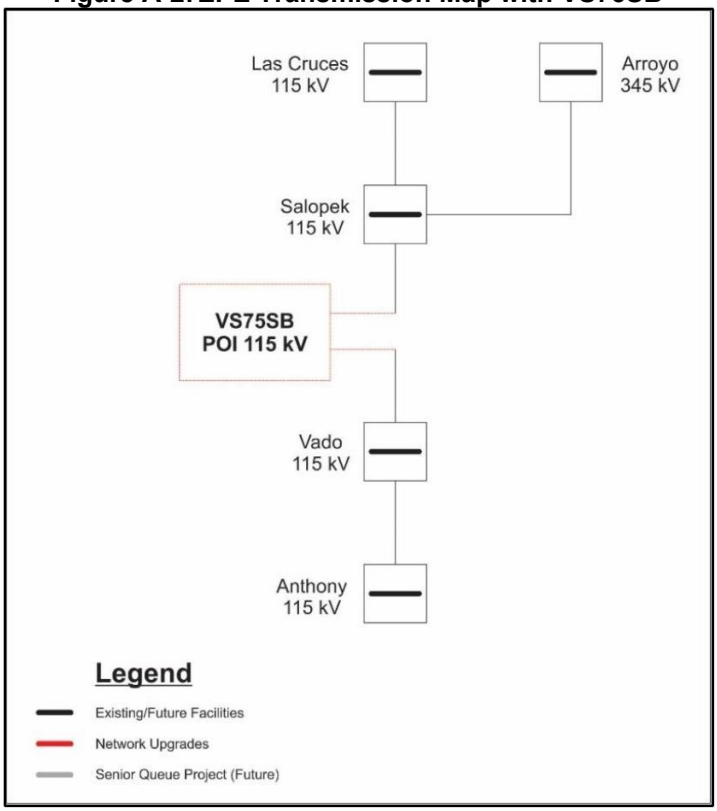


Figure A-2: EPE Transmission Map with VS75SB



I. INTERCONNECTIONFACILITIES

A. Interconnection Customer's Interconnection Facilities

Interconnection Customer's Interconnection Facilities are facilities that will be engineered, procured, constructed, owned, operated, and maintained by Interconnection Customer at its sole expense. The Interconnection Customer's Interconnection Facilities shall include:

All Interconnection Facilities from the generator facilities up to the Point of Change of Ownership ("PCO").[3] The PCO is the dead-end pole that connects the interconnection line into the POI substation. The Interconnection Customer's Interconnection Facilities include all generator step-up transformers, breakers, and any VAR support equipment needed to integrate the VS75SB project.

The Generator Interconnection Facilities required for the interconnection of the VS75SB Project is not included in this interconnection agreement.

B. Transmission Provider's Interconnection Facilities

Transmission Provider's (EPE) Interconnection Facilities are facilities from the Point of Change of Ownership to the Point of Interconnection, paid for by the Interconnection Customer but owned, maintained and operated by EPE. The following facilities to be installed are designated as Transmission Provider's Interconnection Facilities:

Facilities from the interconnection line dead-end structure to the Point of Interconnection (including the pole, conductor from the pole to the Point of Interconnection, breakers, the revenue metering equipment, and the Phasor

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[3] Interconnection Customer's Interconnection Facilities also include any relays or other protection system and control equipment associated with the Large Generating Facility that Transmission Provider permits to be installed on the Transmission Provider's side of the PCO. Any such relays or other equipment will be owned, maintained and tested by the Interconnection Customer; Transmission Provider will allow access to the Interconnection Customer for such activities.

Measurement Unit).

The major EPE Interconnection Facilities required for the interconnection of VS75SB are provided in Table A-1 below.

Table A-1: VS75SB EPE Interconnection Facilities

Item	Category	Description
Gen Sub Connection	Substation	Breaker and switches to accommodate the transmission line from the VS75SB Generating Facility into the POI 115 kV substation
Gen Facility Tie-in	Transmission	Tie-in the Interconnection Customer's 115 kV transmission line from the VS75SB Generating Facility into the POI 115 kV substation
Revenue Metering	Substation	To be installed at the POI
Phasor Measurement Unit	Substation	To be installed at the POI

II. NETWORK UPGRADES

Network Upgrades are separated into two categories:

Category 1 - Point of Interconnection station equipment network upgrades, including switching stations.

Category 2 - Transmission lines, transformers, and voltage support related Network Upgrades.

For station equipment network upgrades, costs are allocated to the interconnection customer interconnecting to the substation, or, where multiple interconnection customers propose to interconnect at the same substation, costs are allocated among those interconnection customers on a pro rata basis depending on the number of interconnection requests.

With regard to transmission lines, transformers, and voltage support related Network the costs for those upgrades are allocated among the Interconnection Customers in the cluster in accordance with Section 4.2.1 of EPE's LGIP.

No Category 2 costs were categorized for VS75SB project, however Category 1 costs were identified.

Network Upgrades are facilities from the Point of Interconnection out to the EPE Transmission System, paid for by the Interconnection Customer(s) but owned and operated by EPE. Network Upgrades are defined in EPE's OATT and include additions, modifications, and upgrades to the EPE Transmission System to accommodate the interconnection of the Generating Facility(ies).

The major Network Upgrades required for the interconnection of the VS75SB project are provided in Table A-2 below.

Table A-2: Category 1 Network Upgrade Facilities

Item	Type	Description
VS75SB POI Substation	Substation	115 kV substation at POI (Vado-Salopek 115 kV line)
VS75SB Tie-in to Vado-Salopek line into the VS75SB POI	Transmission	Tying the future Vado-Salopek transmission 115 kV substation
Remote-end Relay Settings need to be	Substation	Remote-end protection settings and relays will reviewed/modified

Detailed identifications, as between the Transmission Provider and the Interconnection Customer, regarding Network Upgrades versus Stand Alone Network Upgrades will be addressed between the Parties. Engineering, design, procurement and construction of System Protection & Control and communications equipment and facilities are among the items not considered Stand Alone Network Upgrades. In addition, activities associated with tying in any Network Upgrades or Stand Alone Network Upgrades to the Transmission Provider's system are among the activities not considered Stand Alone Network Upgrades.

III. DISTRIBUTION FACILITIES

NONE. [4]

[4] Not Applicable to this Agreement with the exception of station service equipment and facilities.

Appendix B to LGIA

MILESTONES[5]

Site Control

Check box if applicable ☐

Interconnection Customer with qualifying regulatory limitations must demonstrate 100% Site Control by one hundred eighty (180) Calendar Days from the effective date of this LGIA or the LGIA may be terminated per Article 17 (Default) of this LGIA and Interconnection Customer may be subject to Withdrawal Penalties per Section 3.7.1.1 of Transmission Provider's LGIP.

[5] Unless waived as provided in Article 1 of this LGIA (see definition of Interconnection Customer).

The Interconnection Customer has elected the following option pursuant to Section 5.1 of this LGIA (check one):

X **Standard Option, under which the Transmission Provider Designs, Procures and Constructs.**

Interconnection Customer's Milestones: (includes activities per Art. 5.5.2, 5.5.3, 5.6.3, 5.6.4 and 11.5)

Milestone	Date[6]	Responsible Party
Effective Date of the LGIA **unless FERC**	**Upon execution by both parties,[7] designates a different ~~effective date.~~**	**Both Parties**
Interconnection Customer to provide $2,032,400 to EPE in the form of a letter of credit, or other form of security that is reasonably acceptable to EPE,[8] for permitting, and preliminary engineering design work associated with Transmission Provider Interconnection Facilities and Network Upgrades. Interconnection Customer is to provide, at the same time, written authorization for Transmission Provider to proceed with such work.	**At the same time Interconnection Customer executes this Interconnection Agreement**	**Interconnection Customer**
Certification by each Party of satisfaction of all insurance requirements (per Art. 18.3.9)	**Within 10 Calendar Days of LGIA Effective Date.**	**Both Parties**

[6] The dates shown related to construction activities, backfeed, trial operation, etc. are estimates. Delays may be encountered for a variety of reasons, including, but not limited to right of way acquisition, permitting, inclement weather that impedes construction, the inability to take line outages due to reliability or other reasons, delays in the posting of financial security, whether work is suspended by the Interconnection Customer, etc. The Transmission Provider typically does not permit transmission line outages from mid-May to late September.

[7] If the LGIA is unexecuted and the Interconnection Customer requests that EPE file the unexecuted LGIA with the Federal Energy Regulatory Commission (FERC), the effective date shall be the date designated by the FERC.

[8] The amounts of financial security identified in Appendix B are subject to change, upon notice by Transmission Provider, depending upon changes in senior or equal-queued requests, changes in the cost of materials, or other such items.

Milestone	Date[6]	Responsible Party
Customer to provide second financial security payment for $5,000,000 to EPE in the form of a letter of credit, or other form of security that is reasonably acceptable to EPE, for detailed engineering, procurement and initial construction of Transmission Provider's Interconnection Facilities and Network Upgrades. Interconnection Customer is to provide, at the same time, written authorization for Transmission Provider to proceed with such work.	**12 months after the execution of this agreement by both parties.**	**Interconnection Customer**
Interconnection Customer to provide 30% of design of Customer's Generating Facilities	**18 months after the execution of this agreement by both parties**	**Interconnection Customer**
Interconnection Customer to provide 75% of design of Customer's Generating Facilities	**24 months after the execution of this agreement by both parties**	**Interconnection Customer**
Interconnection Customer to provide evidence of procurement of all major equipment and material (GSU, solar panels, inverters, step-up transformers, circuit breakers, etc.)	**30 months after the execution of this agreement by both parties**	**Interconnection Customer**

Milestone	Date[6]	Responsible Party
Customer to provide additional financial security payment for $5,236,600 to EPE in the form of a letter of credit, or other form of security that is reasonably acceptable to EPE, for procurement and construction Transmission Provider's Interconnection Facilities and Network Upgrades.	**Start of construction of the new POI 115 kV Substation.**	**Interconnection Customer**
Submission of initial specifications for the Interconnection Customer's Interconnection Facilities under Art. 5.10.1, Information Submission of Transmission Provider under Art. 24.2, and Updated Information Submission of Interconnection Customer under Art. 24.3	**At least 180 Calendar Days prior to Trial Operation/Initial Synchronization Date**	**Both Parties**
Submission of final specifications for the Interconnection Customer's Interconnection Facilities (per Art. 5.10.1)	**No later than 90 Calendar Days following tender of initial specifications, and at least 90 Calendar Days prior to Trial Operation/Initial Synchronization Date**	**Interconnection Customer**
Control Area written notification by Interconnection Customer (per Art. 9.2)	**At least three months before back feed power date**	**Interconnection Customer**
Back feed power **before Commercial**	**No earlier than three months** **Operation Date**	**Interconnection Customer, with Transmission Provider's consent**
Trial Operation start and Initial Synchronization Date, including export power testing sequence start	**30 Calendar Days following the back-feed power date**	**Interconnection Customer, with Transmission Provider's consent**

Milestone	Date[6]	Responsible Party
Commercial Operation Date (COD): Customer requested COD modification are only allowed pursuant to EPE's OATT.)	**The Interconnection Customer has identified a desire to achieve Commercial Operation on December 1, 2026; however, Transmission Provider estimates that after any and all land acquisition/easements and environmental services/permitting have been obtained by the Interconnection Customer and transferred to EPE, the engineering, procurement and construction necessary for all Network Upgrades is estimated to take 63 months. COD Timing is also contingent on timely postings of financial security by Interconnection Customer and notifications by Interconnection Customer and assumes no Suspension of Work.**[9]	**Interconnection Customer**

[9] The ability to take line outages to permit COD activities may be impeded due to reliability or other reasons. The Interconnection Customer agrees that it will pay for costs associated with taking line outages necessary to install interconnection facilities and network upgrades and to permit testing of the Interconnection Customer's Generating Facility. Such costs may include redispatch costs.

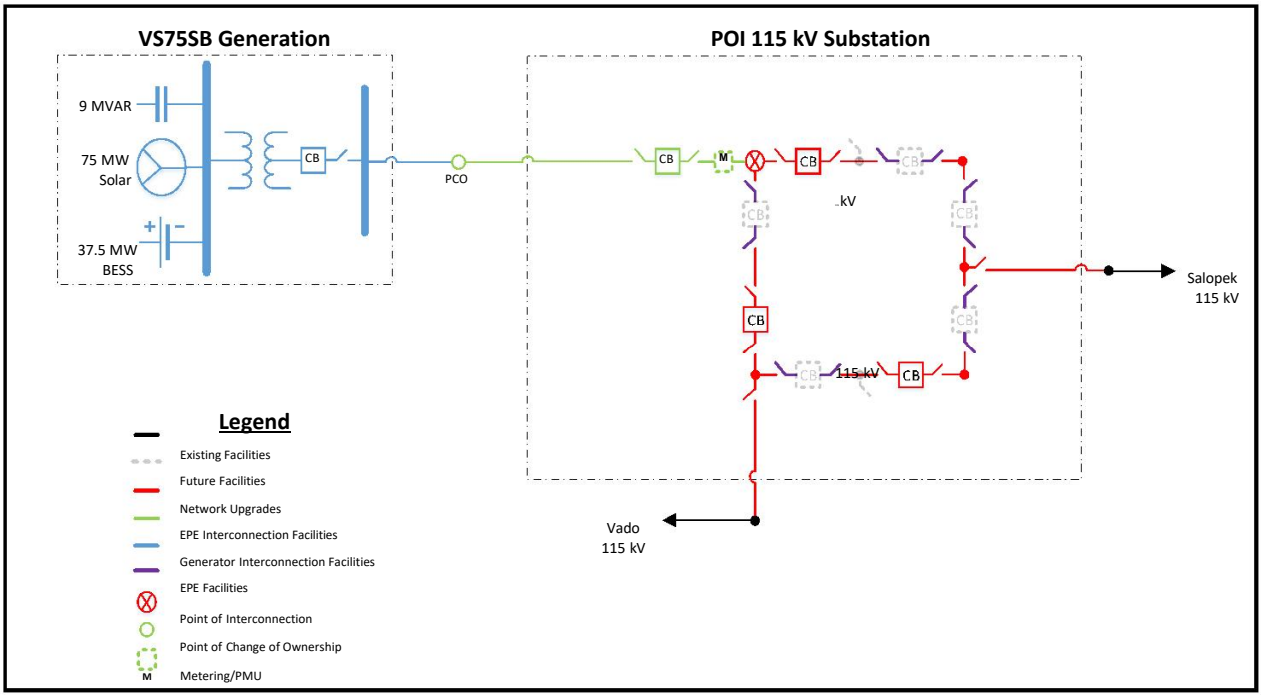
Appendix C to LGIA

INTERCONNECTION DETAILS

At the time this Interconnection Agreement is being entered into, VS75SB Project is requesting Network Resource Interconnection Service ("NRIS"). The requested point of interconnection ("POI") is at a new VS75SB 115 kV substation which will tap the existing Anthony to Salopek 115 kV transmission line between the future Vado Substation and existing Salopek Substation.

Figure C-1 below shows the new POI 115 kV substation connecting the new VS75SB Generator Facility and intersecting the future Vado to Salopek 115 kV transmission line.

Figure C-1: POI Connection and Configuration



I. ASSUMPTIONS AND COST ESTIMATES[10]

The following key assumptions were identified regarding the facilities required for the interconnection of the VS75SB Project:

1. All active senior-queued projects and facility upgrades were assumed to be in service prior to beginning construction on Network Upgrades attributed to the VS75SB Project.
2. The Interconnection Customer will be responsible for all land acquisition or long-term leasing for the duration of the project and beyond and will grant EPE the servitudes required for the new POI 115 kV substation, transmission line cut-ins, span between the Point of Change of Ownership ("PCO") structure and POI, and access road as agreed upon. The actual locations and sizes of the facilities will be finalized and agreed upon during detail design phase, as described in Appendix B of this agreement. A servitude from the Interconnection Customer will be provided for the installation and maintenance of the span between the PCO structure and POI at the new POI 115 kV substation.
3. The cost estimates and project schedules provided in Appendix A and B of this agreement do not include Generator Interconnection Facilities.
4. The cost estimates and project schedules provided in Appendix A and B in this agreement do not include EPE facilities that are not categorized as EPE Interconnection Facilities or Network Upgrade facilities.

Any deviation from these assumptions may have substantial impacts to the cost estimates and/or project schedules.

General Assumptions

The general assumptions made in the design and cost estimates of the substation and transmission facilities are listed below:

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[10] The costs shown in this LGIA are estimates. The Interconnection Customer is responsible for paying the actual costs.

1. Cost estimates provided are good faith “scoping estimates” based on 2024 dollars; no escalation or discount rates were included.
2. No state, county or city taxes were included.
3. Contingency for substation facilities were assumed to be 20% of the total material, labor, engineering, and construction management costs.
4. Contingency for transmission facilities were assumed to be 10% of the total material, labor, engineering, and construction management costs.
5. Estimates were based on equipment and configuration shown in substation layouts.
6. Direct costs for EPE are included in the cost estimates at 6% of the project total rounded up to the nearest thousand. Direct costs may include, but are not limited to EPE program management, project management and overhead costs. Actual direct costs may differ from the estimated value.

A. NETWORK UPGRADES FOR THE VS75SB PROJECT

POI 115 kV Substation

A new 115 kV substation will need to be constructed for the interconnection of the VS75SB Generating Facility to EPE’s transmission system. The substation will be designed as an 8-position ring bus configuration switchyard. This project will include the installation of three (3) circuit breakers on the ring, sixteen (16) 115 kV disconnect switches on the bus (Interconnection Customer is responsible for the cost of six), and two (2) line switches will be installed to isolate the equipment. A control enclosure, and the associated protection, metering, and control equipment for the bays and transmission lines are part of the Network Upgrades. One (1) circuit breaker, one (1) isolating disconnect switch, and one (1) line switch will be installed on the transmission line that connects to the VS75SB Generating Facility.

Figure C-1 shows the layout of the VS75SB POI 115 kV substation connecting the Generator Facilities and intersecting the Vado to Salopek 115 kV transmission line. The Network Upgrades (shown in red within Figure C-1) include any additions,

modifications, and upgrades to the EPE Transmission System to accommodate the interconnection. The cost estimates also include the EPE Interconnection Facilities (shown in green within Figure C-1) required to interconnect VS75SB. These include, for example, the transmission facilities between the VS75SB interconnection line dead-end structure and the termination point at the VS75SB POI 115 kV substation bus, as well as revenue metering and phasor measurement between the POI and the interconnection line.

Design and Construction Assumptions

The Interconnection Facilities and Network Upgrade design and construction assumptions are listed below. To the extent any of these assumptions is later determined to be incorrect, the cost estimate may need to be updated. As detailed engineering and design proceeds after this LGIA becomes effective, the Transmission Provider may adjust to the assumptions identified in this LGIA, including adjustments to structure and equipment type:

1. The project will require the installation of four (4) 115 kV 3000A Gang Operated Breakers.
2. Sixteen (16) 3000A "Vee" type Switches for the bus and four (4) 3000A "Vee" type switches for the lines will be installed.
3. Three (3) H-frame Dead-end structures will be installed to accommodate the lines to Vado and Salopek and the connection to the VS75SB generator.
4. This POI substation facility at the POI will be built in a 530' x 500' substation fenced area.
5. Access to this facility was assumed adequate for the installation.
6. Grading and Foundation installations were assumed not to include any shale or rock excavation.
7. Owner standard structures with loading criteria will be used for foundation design.
8. The remote end line protection at Vado and Salopek will have to match the protection for this installation.
9. Primary and backup sources for station power will be installed in each 115 kV bus

at this substation.

10. Ground grid was estimated to be installed as a 30’ x 30’ grid. Ground grid will be designed using 4/0, 19 strand bare copper. Final ground grid conductor spacing will be determined based on the ground grid study.
11. Estimate assumed that Communications to the site will be via optical ground wire (OPGW). Final pricing will depend on detail engineering.
12. A 16’ x 40’ Prefabricated Drop-in control equipment enclosure will be included in the design to enclose all protection and control equipment for the transmission lines, substation equipment and the connection to the generators.
13. The protection relaying scheme of the VS75SB Generator Interconnection Facility connecting to EPE’s facilities will be the responsibility of the Interconnection Customer.

Table C-1 shows the cost estimate for the design and construction of the Substation Network Upgrades associated with the proposed VS75SB POI 115 kV substation.

Table C-1: VS75SB POI 115 kV Substation – Category 1 Network Upgrade Cost Estimate

Item	Material Cost	Contract Labor	Engineering	Construction Management	Total
Substation	$3,078,000	$1,963,000	$505,000	$505,000	$6,051,000
System Protection & Control		$536,000	$352,000	$89,000	$89,000 $1,066,000
Contingency (20% Substation)		$723,000	$463,000	$119,000	$119,000 $1,424,000
EPE Direct Cost (6%)		$217,000	$139,000	$36,000	$36,000 $428,000
Total Design and Construction Cost	**$4,554,000**	**$2,917,000**	**$749,000**	**$749,000**	**$8,969,000**

acquisition and easements will be handled by the Interconnection Customer for the new VS75SB POI 115 kV substation (along with an access road) at the requested location and were not included in the cost estimates. All land rights and easements shall be transferrable to EPE at no cost to EPE.

Environmental services/permitting will be handled by the Interconnection Customer for the new VS75SB POI 115 kV substation (along with an access road) at the requested location and were not included in the cost estimates.

Based on the above assumptions, the total Substation Network Upgrade cost estimate is $8,969,000.

POI 115 kV Tie-ins

The following sections describe the assumptions and cost estimate for tying the VS75SB gen-tie lines into the new POI 115 kV substation. They also describe the assumptions and cost estimate for tying in the Vado-Salopek 115 kV transmission line.

Design and Construction Assumptions

In addition to the general cost estimate assumptions listed in Section I. A, the following specific assumptions apply to the design and construction of the EPE Interconnection Facilities required for all of the tie-ins that will be conducted at the new POI 115 kV substation.

1. One (1) steel monopole dead-end structure will be required to bring the ICs 115 kV gen-tie line from the VS75SB Generating Facility into the POI 115 kV substation.
2. Two (2) single circuit three-pole dead-end structures will be required to terminate the planned Vado-Salopek 115 kV transmission line at the 115 kV POI substation. No other modifications to existing structures on the Vado-Salopek 115 kV transmission line were assumed to be necessary.
3. The conductors shall be 954 kcmil “Rail” single aluminum conductor steel reinforced (ACSR) per phase.
4. All hardware assemblies shall use EPE standard polymer insulators with compression dead-end connections.
5. Ruling Span: 400’
6. Loading: NESC Light District, NESC Medium District, and EPE standards.
7. Maximum Conductor Operating Temperature: 212°F
8. Design tension conductor: 25% RBS maximum under NESC Medium and 25% RBS maximum under NESC Light.
9. Shield wire: 3/8" 7-strand steel EHS wire and SFPOC/SFSJ-J-4062 OPGW.

10. Design tension shield wire: 80% of conductor sag under 60°F Normal Conditions.
11. Dead-end Structure Design: Self-supported single circuit steel monopole structure on concrete drilled shafts for the Interconnection Facilities and self-supported steel three-pole structures on concrete drilled shafts for the Network Upgrades.
12. Structure Height: Monopole dead-end structure is 70' total length.
    a. Foundation utilizes reinforced drilled piers with anchor bolt cages. Estimated foundation diameter is 6' and estimated foundation depths are 25'.
13. Structure Height: Three-pole dead-end structures are 60' total length. Foundations utilize reinforced drilled piers with anchor bolt cages.
    a. Estimated foundation diameters for three-pole dead-end structures are 6' and estimated foundation depths are 15'.
14. Foundation sizes and costs were estimated based on data from other projects previously performed in the area.
15. All structures are to be galvanized and estimated cost per pound of steel is $1.95/lb.

The cost estimate of the Network Upgrades required to tie-in the future Vado to Salopek 115 kV transmission lines into the new POI 115 kV substation is shown in Table C-2 below.

Table C-2: Vado to Salopek Tie-In – Network Upgrade Cost Estimate

Item	Material Cost	Labor	Total
Structure Costs	$145,000	$45,000	$190,000
Foundation Costs	$100,000	$129,000	$229,000
Installed Wires	$33,000	$96,000	$129,000
Construction Incidentals	$0	$400,000	$400,000
Engineering		$0	$48,000
Construction Management	$0	$57,000	$57,000
(10%) $28,000	$78,000	$106,000	
EPE Direct Cost (6%)	$17,000	$17,000	$34,000
Total Design and Construction	**$323,000**	**$870,000**	**$1,193,000**

$48,000

Based on the above assumptions, the total POI 115 kV Tie-in Network Upgrade cost estimate is $1,193,000.

B. EPE INTERCONNECTION FACILITIES

Substation Connection

Table C-3 shows the cost estimate for the design and construction of the EPE Interconnection Facilities associated with interconnecting the VS75SB Generating Facility to the VS75SB POI 115 kV substation.

Table C-3: VS75SB POI 115 kV Substation Connection – EPE Interconnection Facilities Cost Estimate

Item	Material Cost	Contract Labor	Engineering	Construction Management	Total
Substation	$156,000	$137,000	$30,000	$30,000	$353,000
System Protection & Control	$530,000	$138,000	$67,000	$67,000	$802,000
Contingency (20% Substation)	$138,000	$55,000	$20,000	$20,000	$233,000
EPE Direct Cost (6%)	$42,000	$17,000	$6,000	$6,000	$71,000
Total Design and Construction Cost	**$866,000**	**$347,000**	**$123,000**	**$123,000**	**$1,459,000**

Transmission 115 kV Tie-Ins

The cost estimate of the EPE Interconnection Facilities required to connect the VS75SB Generating Facility into the new VS75SB POI 115 kV substation is shown in Table C-4 below.

C-4: VS75SB Generating Facility 115 kV Tie-In - EPE Interconnection Facilities Cost Estimate

Structure Costs	$45,000	$20,000	$65,000
Foundation Costs	$30,000	$36,000	$66,000
Installed Wires	$21,000	$66,000	$87,000
Construction Incidentals	$0	$300,000	$300,000
	$0	$26,000	$26,000
Construction Management	$0	$32,000	$32,000
Contingency (10%)	$10,000	$48,000	$58,000
EPE Direct Cost (6%)	$6,000	$8,000	$14,000
Total Design and Construction	**$112,000**	**$536,000**	**$648,000**

C. COST SUMMARY

Total Cost Summary

The cost estimates for the EPE Interconnection Facilities and Network Upgrade facilities are presented in Table C-5 below.

Table C-5 shows that the total project cost estimate is $12,269,000.

Table C-5: Total Project - Cost Estimate

Interconnection	EPE Interconnection Costs	Allocated Network Upgrade Costs	Total
VS75SB	$2,107,000	$10,162,000	**$12,269,000**

Appendix D to LGIA

Security Arrangements Details

Infrastructure security of Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day Transmission System reliability and operational security. FERC will expect all Transmission Providers, market participants, and Interconnection Customers interconnected to the Transmission System to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

Appendix E to LGIA

Commercial Operation Date

This Appendix E is a part of the LGIA between Transmission Provider and Interconnection Customer.

{Date}

Roberto Favela
Director of System Planning & Interconnections
P.O. Box 982 – LOC 751
El Paso, Texas 79960

Re: Mesquite PV I, LLC Large Generating Facility

Dear _____:

On **{Date} Mesquite PV I, LLC** has completed Trial Operation of VS75SB. This letter confirms that Mesquite PV I, LLC commenced Commercial Operation of VS75SB, effective as of **{Date plus one day}**.

Thank you.

{Signature}

{Interconnection Customer Representative}

Appendix F to LGIA

Addresses for Delivery of Notices and Billings

Notices:

Transmission Provider:

EPE System Planning & Interconnections
Attn: Roberto Favela, Director of System Planning & Interconnections
P.O. Box 982 – LOC 751
El Paso, Texas 79960
Tel: (915) 521-4418
Email: Roberto.Favela@epelectric.com

Alternate:
EPE System Planning & Interconnections
Attn: Donna AlHakeem Enriquez, Engineer
P.O. Box 982 – LOC 751
El Paso, Texas 79960
Tel: (915) 543-4386
Email: Donna.AlHakeem@epelectric.com

Interconnection Customer:

Mesquite PV I, LLC
Attn: Avery Dunn
1 Lincoln St, Suite 2900
Boston, MA, 02111 Tel:
(907) 602-8323
Email: avery.dunn@galeheaddev.com

Billings and Payments:

Transmission Provider:

EPE System Planning & Interconnections
Attn: Donna AlHakeem Enriquez, Engineer
P.O. Box 982 – LOC 751
El Paso, Texas 79960
Tel: (915) 543-4386
Email: Donna.AlHakeem@epelectric.com

Interconnection Customer:

Mesquite PV I, LLC
Attn: Avery Dunn
1 Lincoln St, Suite 2900
Boston, MA, 02111 Tel:
(907) 602-8323
Email: avery.dunn@galeheaddev.com

Alternative Forms of Delivery of Notices (telephone, facsimile or email):

Transmission Provider:

{To be supplied.}

Interconnection Customer:

{To be supplied.}

APPENDIX G

INTERCONNECTION REQUIREMENTS FOR A WIND GENERATING PLANT

Appendix G sets forth requirements and provisions specific to a wind generating plant or a Generating Facility that contains a wind generating plant. All other requirements of this LGIA continue to apply to wind generating plant interconnections.

A. Technical Standards Applicable to a Wind Generating Plant

i. Low Voltage Ride-Through (LVRT) Capability

A wind generating plant shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard below. The LVRT standard provides for a transition period standard and a post-transition period standard.

Transition Period LVRT Standard

The transition period standard applies to wind generating plants subject to FERC Order 661 that have either: (i) interconnection agreements signed and filed with the Commission, filed with the Commission in unexecuted form, or filed with the Commission as non-conforming agreements between January 1, 2006 and December 31, 2006, with a scheduled in-service date no later than December 31, 2007, or (ii) wind generating turbines subject to a wind turbine procurement contract executed prior to December 31, 2005, for delivery through 2007.

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by transmission provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles at a voltage as low as 0.15 p.u., as measured at the high side of the wind generating plant step-up transformer (i.e. the transformer that steps the voltage up to the transmission interconnection voltage or "GSU"), after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system.
2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.
3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.
4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr Compensator, etc.) within the wind generating plant or by a combination of

generator performance and additional equipment.

5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

Post-transition Period LVRT Standard

All wind generating plants subject to FERC Order No. 661 and not covered by the transition period described above must meet the following requirements:

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by transmission provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system. A wind generating plant shall remain interconnected during such a fault on the transmission system for a voltage

level as low as zero volts, as measured at the high voltage side of the wind GSU.

2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU.

3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.

4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAR Compensator) within the wind generating plant or by a combination of generator performance and additional equipment.

Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

ii. Power Factor Design Criteria (Reactive Power)

The following reactive power requirements apply only to a newly interconnecting wind generating plant that has executed a Facilities Study Agreement as of the effective date of the Final Rule establishing the reactive power requirements for non-synchronous generators in article 9.6.1 of this LGIA (Order No. 827). A wind generating plant to which this provision applies shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this

LGIA, if Transmission Provider's Cluster Study shows that such a requirement is necessary to ensure safety or reliability. The power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by Transmission Provider, or a combination of the two. Interconnection Customer shall not disable power factor equipment while the wind plant is in operation. Wind plants shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the Cluster Study shows this to be required for system safety or reliability.

iii. Supervisory Control and Data Acquisition (SCADA) Capability

The wind plant shall provide SCADA capability to transmit data and receive instructions from Transmission Provider to protect system reliability. Transmission Provider and the wind plant Interconnection Customer shall determine what SCADA information is essential for the proposed wind plant, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability in its area.

Appendix H to LGIA

Operating Assumptions for Generating Facility

Check box if applicable ☑

Operating Assumptions:

Project VS75SB consists of 37.5 MW of battery storage with an option to grid charge. The battery may charge from the grid during the night hours between 12 AM and 6 AM. The battery may discharge into the grid during EPE's system peak hours between hours 12 PM and 8 PM, however, Project VS75SB cannot exceed the maximum facility output of 75 MW beyond the POI. Further studies and a separate agreement will be required to determine grid-charging allowance from the EPE transmission system.