Draft, January 17, 2017

OPEN ACCESS

TRANSMISSION TARIFF

DRAFTING NOTE TO STAKEHOLDERS:

1. Changes to the existing tariff (08.14.2014) are noted in redline. Sections 2, 5, 13.1, and 23.1, and Form A were changed, and Form A-2 was added to satisfy private use restrictions associated with LADWP's municipal bonds.
2. Previously standalone attachments were incorporated without change, except where noted in redline.
3. On February 21, 2017, this document will be updated to incorporate network integration transmission service and generation redispatch.
4. Small Generator Interconnection Procedures (including the Small Generator Interconnection Agreement) will not be incorporated in this round of tariff changes.

TABLE OF CONTENTS

I. COMMON SERVICE PROVISIONS ..... - 9 -

1 DEFINITIONS ..... - 9 -
1.1 Affiliate: ..... - 9 -
1.2 Ancillary Services: ..... - 9 -
1.3 Application: ..... - 9 -
1.4 Commission: ..... - 9 -
1.5 Completed Application: ..... - 9 -
1.6 Control Area: ..... - 10 -
1.7 Curtailment: ..... - 10 -
1.8 Delivering Party: ..... - 10 -
1.9 Designated Agent: ..... - 11 -
1.10 Direct Assignment Facilities: ..... - 11 -
1.11 Eligible Customer: ..... - 11 -
1.12 Facilities Study: ..... - 12 -
1.13 Firm Point-To-Point Transmission Service: ..... - 12 -
1.14 Good Utility Practice: ..... - 13 -
1.15 Interruption: ..... - 13 -
1.16 Long-Term Firm Point-To-Point Transmission Service: ..... - 13 -
1.17 Native Load Customers: ..... - 14 -
1.18 Network Upgrades: ..... - 14 -
1.19 Non-Firm Point-To-Point Transmission Service: ..... - 14 -
1.20 Non-Firm Sale: ..... - 14 -
1.21 Open Access Same-Time Information System (OASIS): ..... - 15 -
1.22 Pacific Prevailing Time or PPT: ..... - 15 -
1.23 Part I: ..... - 15 -
1.24 Part II: ..... - 15 -
1.25 Parties: ..... - 15 -
1.26 Point(s) of Delivery: ..... - 15 -
1.27 Point(s) of Receipt: ..... - 16 -
1.28 Point-To-Point Transmission Service: ..... - 16 -
1.29 Power Purchaser: ..... - 16 -
1.30 Pre-Confirmed Application: ..... - 16 -
1.31 Preschedule Day: ..... - 16 -
1.32 Receiving Party: ..... - 17 -
1.33 Regional Transmission Group (RTG): ..... - 17 -
1.34 Reserved Capacity: ..... - 17 -
1.35 Service Agreement: ..... - 17 -
1.36 Service Commencement Date: ..... - 18 -
1.37 Short-Term Firm Point-To-Point Transmission Service: ..... - 18 -

1.38 System Condition ..... - 18 -
1.39 System Impact Study: ..... - 18 -
1.40 Tariff: ..... - 19 -
1.41 Third-Party Sale: ..... - 19 -
1.42 Transmission Customer: ..... - 19 -
1.43 Transmission Provider: ..... - 19 -
1.44 Transmission Service: ..... - 19 -
1.45 Transmission System: ..... - 19 -
1.46 Unreserved Use: ..... - 20 -

2 RENEWAL PROCEDURES FOR EXISTING FIRM SERVICE CUSTOMERS ..... - 20 -
2.1 Continuation of Service ..... - 20 -
2.2 Competing Requests ..... - 21 -
2.3 Prior Service Agreements ..... - 22 -

3 ANCILLARY SERVICES ..... - 22 -
3.1 Scheduling, System Control and Dispatch Service: ..... - 25 -
3.2 Reactive Supply and Voltage Control from Generation or Other Sources Service: ..... - 25 -
3.3 Regulation and Frequency Response Service: ..... - 26 -
3.4 Energy Imbalance Service: ..... - 26 -
3.5 Operating Reserve - Spinning Reserve Service: ..... - 26 -
3.6 Operating Reserve - Supplemental Reserve Service: ..... - 26 -
3.7 Generator Imbalance Service: ..... - 26 -

4 OPEN ACCESS SAME-TIME INFORMATION SYSTEM (OASIS) ..... - 26 -

5 MUNICIPAL TAX EXEMPT BONDS ..... - 27 -
5.1 Transmission Provider Own Facilities Financed by Tax Exempt and Tax Credit Bonds: ..... - 27 -
5.2 Governmental Person Use Certificate ..... - 28 -

6 RECIPROCITY ..... - 30 -

7 BILLING AND PAYMENT ..... - 31 -
7.1 Billing Procedure: ..... - 31 -
7.2 Interest on Unpaid Balances: ..... - 32 -
7.3 Customer Default: ..... - 32 -

8 ACCOUNTING FOR THE TRANSMISSION PROVIDER'S USE OF THE TARIFF ..... - 34 -
8.1 Transmission Revenues: ..... - 34 -
8.2 Study Costs and Revenues: ..... - 34 -

9 TARIFF AND RATE CHANGES, WITHDRAW, AND RESERVATION OF RIGHTS ..... - 35 -

10 FORCE MAJEURE AND INDEMNIFICATION ..... - 35 -

10.1 Force Majeure: - 36 -
10.2 Indemnification: - 36 -

11 CREDITWORTHINESS - 37 -

12 DISPUTE RESOLUTION PROCEDURES - 37 -
12.1 Internal Dispute Resolution Procedures: - 37 -
12.2 External Arbitration Procedures: - 37 -
12.3 Arbitration Decisions: - 38 -
12.4 Costs: - 39 -
12.5 Rights Under The Federal Power Act: - 39 -

II. POINT-TO-POINT TRANSMISSION SERVICE - 39 -

13 NATURE OF FIRM POINT-TO-POINT TRANSMISSION SERVICE - 40 -
13.1 Term: - 40 -
13.2 Reservation Priority: - 40 -
13.3 Use of Firm Transmission Service by the Transmission Provider: - 43 -
13.4 Service Agreements: - 43 -
13.5 Transmission Customer Obligations for Facility Additions: - 44 -
13.6 Curtailment of Firm Transmission Service: - 45 -
13.7 Classification of Firm Transmission Service: - 46 -
13.8 Scheduling of Firm Point-To-Point Transmission Service: - 49 -

14 NATURE OF NON-FIRM POINT-TO-POINT TRANSMISSION SERVICE - 50 -
14.1 Term: - 50 -
14.2 Reservation Priority: - 50 -
14.3 Use of Non-Firm Point-To-Point Transmission Service by the Transmission Provider: - 51 -
14.4 Service Agreements: - 52 -
14.5 Classification of Non-Firm Point-To-Point Transmission Service: - 52 -
14.6 Scheduling of Non-Firm Point-To-Point Transmission Service: - 53 -
14.7 Curtailment or Interruption of Service: - 54 -

15 SERVICE AVAILABILITY - 56 -
15.1 General Conditions: - 56 -
15.2 Determination of Available Transfer Capability: - 56 -
15.3 Initiating Service in the Absence of an Executed Service Agreement: - 56 -
15.4 Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System or Conditional Curtailment: - 57 -
15.5 Deferral of Service: - 59 -
15.6 Other Transmission Service Agreements: - 59 -
15.7 Real Power Losses: - 59 -

16 TRANSMISSION CUSTOMER RESPONSIBILITIES - 60 -

16.1 Conditions Required of Transmission Customers: ..... - 60 -
16.2 Transmission Customer Responsibility for Third-Party Arrangements: .. - 62 -

17 PROCEDURES FOR ARRANGING FIRM POINT-TO-POINT TRANSMISSION SERVICE ....- 63 -
17.1 Application: ..... - 63 -
17.2 Completed Application: ..... - 63 -
17.3 Deposit for Long-Term Point-To-Point Transmission Service: ..... - 66 -
17.4 Notice of Deficient Application: ..... - 67 -
17.5 Response to a Completed Application: ..... - 67 -
17.6 Execution of Service Agreement: ..... - 68 -
17.7 Extensions for Commencement of Service: ..... - 68 -

18 PROCEDURES FOR ARRANGING NON-FIRM POINT-TO-POINT TRANSMISSION SERVICE ..... - 70 -
18.1 Application: ..... - 70 -
18.2 Completed Application: ..... - 70 -
18.3 Reservation of Non-Firm Point-To-Point Transmission Service: ..... - 72 -
18.4 Determination of Available Transfer Capability: ..... - 72 -

19 ADDITIONAL STUDY PROCEDURES FOR FIRM POINT-TO-POINT TRANSMISSION SERVICE REQUESTS ..... - 72 -
19.1 Notice of Need for System Impact Study: ..... - 72 -
19.2 System Impact Study Agreement and Cost Reimbursement: ..... - 74 -
19.3 System Impact Study Procedures: ..... - 75 -
19.4 Facilities Study Procedures: ..... - 76 -
19.5 Facilities Study Modifications: ..... - 78 -
19.6 Due Diligence in Completing New Facilities: ..... - 78 -
19.7 Partial Interim Service: ..... - 79 -
19.8 Expedited Procedures for New Facilities: ..... - 79 -
19.9 Requirement to Meet Study Completion Deadline. ..... - 80 -

20 PROCEDURES IF THE TRANSMISSION PROVIDER IS UNABLE TO COMPLETE NEW TRANSMISSION FACILITIES FOR FIRM POINT-TO-POINT TRANSMISSION SERVICE ..... - 80 -
20.1 Delays in Construction of New Facilities: ..... - 80 -
20.2 Alternatives to the Original Facility Additions: ..... - 81 -
20.3 Refund Obligation for Unfinished Facility Additions: ..... - 82 -

21 PROVISIONS RELATING TO TRANSMISSION CONSTRUCTION AND SERVICES ON THE SYSTEMS OF OTHER UTILITIES ..... - 82 -
21.1 Responsibility for Third-Party System Additions: ..... - 82 -
21.2 Coordination of Third-Party System Additions: ..... - 83 -

22 CHANGES IN SERVICE SPECIFICATIONS ..... - 83 -

22.1 Modifications On a Non-Firm Basis: ..... - 83 -
22.2 Modification On a Firm Basis: ..... - 85 -

23 SALE OR ASSIGNMENT OF TRANSMISSION SERVICE ..... - 85 -
23.1 Procedures for Resale, Assignment or Transfer of Service: ..... - 85 -
23.2 Limitations on Assignment or Transfer of Service: ..... - 87 -
23.3 Information on Assignment or Transfer of Service: ..... - 88 -

24 METERING AND POWER FACTOR CORRECTION AT RECEIPT AND DELIVERY POINTS(S) ..... - 88 -
24.1 Transmission Customer Obligations: ..... - 88 -
24.2 Transmission Provider Access to Metering Data: ..... - 88 -
24.3 Power Factor: ..... - 88 -

25 COMPENSATION FOR TRANSMISSION SERVICE ..... - 89 -

26 STRANDED COST RECOVERY ..... - 89 -

27 COMPENSATION FOR NEW FACILITIES ..... - 89 -

III. NETWORK INTEGRATION TRANSMISSION SERVICE ..... - 90 -

SCHEDULE 1 ..... - 91 -

SCHEDULING, SYSTEM CONTROL AND DISPATCH SERVICE ..... - 91 -

SCHEDULE 2 ..... - 93 -

REACTIVE SUPPLY AND VOLTAGE CONTROL FROM GENERATION OR OTHER SOURCES SERVICE ..... - 93 -

SCHEDULE 3 ..... - 95 -

REGULATION AND FREQUENCY RESPONSE SERVICE ..... - 95 -

SCHEDULE 4 ..... - 98 -

ENERGY IMBALANCE SERVICE ..... - 98 -

SCHEDULE 5 ..... - 100 -

OPERATING RESERVE - SPINNING RESERVE SERVICE ..... - 100 -

SCHEDULE 6 ..... - 103 -

OPERATING RESERVE - SUPPLEMENTAL RESERVE SERVICE ..... - 103 -

SCHEDULE 7 ..... - 106 -

LONG-TERM FIRM AND SHORT-TERM FIRM POINT-TO-POINT ..... - 106 -

TRANSMISSION SERVICE ..... - 106 -

SCHEDULE 8 ..... - 108 -

NON-FIRM POINT-TO-POINT TRANSMISSION SERVICE ..... - 108 -

SCHEDULE 9 ..... - 110 -

GENERATOR IMBALANCE SERVICE ..... - 110 -

SCHEDULE 10 ..... - 113 -

GENERATOR REGULATION AND FREQUENCY RESPONSE SERVICE ..... - 113 -

SCHEDULE 11 ..... - 116 -

UNRESERVED USE OF TRANSMISSION SERVICE ..... - 116 -

SCHEDULE 12 ..... - 118 -

REAL POWER LOSSES ..... - 118 -

ATTACHMENT A ..... - 121 -

FORM OF SERVICE AGREEMENT FOR FIRM POINT-TO-POINT TRANSMISSION SERVICE ..... - 121 -

ATTACHMENT A-1 ..... - 126 -

FORM OF SERVICE AGREEMENT FOR THE RESALE, REASSIGNMENT OR TRANSFER OF LONG-TERM FIRM POINT-TO-POINT TRANSMISSION SERVICE ..... - 126 -

ATTACHMENT B ..... - 135 -

FORM OF SERVICE AGREEMENT FOR NON-FIRM POINT-TO-POINT TRANSMISSION SERVICE ..... - 135 -

ATTACHMENT C ..... - 137 -

METHODOLOGY TO ASSESS AVAILABLE TRANSFER CAPABILITY ..... - 137 -

ATTACHMENT D ..... - 147 -

METHODOLOGY FOR COMPLETING A SYSTEM IMPACT STUDY ..... - 147 -

ATTACHMENT E ..... - 156 -

INDEX OF POINT-TO-POINT TRANSMISSION SERVICE CUSTOMERS ..... - 156 -

ATTACHMENT F ..... - 157 -

SERVICE AGREEMENT FOR NETWORK INTEGRATION TRANSMISSION SERVICE. - 157 -

ATTACHMENT G ..... - 158 -

NETWORK OPERATING AGREEMENT ..... - 158 -

ATTACHMENT H ..... - 159 -

ANNUAL TRANSMISSION REVENUE REQUIREMENT FOR NETWORK INTEGRATION TRANSMISSION SERVICE ..... - 159 -

ATTACHMENT I ..... - 160 -

INDEX OF NETWORK INTEGRATION TRANSMISSION SERVICE CUSTOMERS ..... - 160 -

ATTACHMENT J ..... - 161 -

PROCEDURES FOR ADDRESSING PARALLEL FLOWS ..... - 161 -

ATTACHMENT K ..... - 162 -

TRANSMISSION PLANNING PROCESS ..... - 162 -

ATTACHMENT L ..... - 163 -

CREDITWORTHINESS PROCEDURES ..... - 163 -

ATTACHMENT M ..... - 166 -

LARGE GENERATOR INTERCONNECTION PROCEDURES ..... - 166 -

I. COMMON SERVICE PROVISIONS

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 Application:

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

1.4 Commission:

The Federal Energy Regulatory Commission.

1.5 Completed Application:

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

1.6 Control 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.

1.7 Curtailment:

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

1.8 Delivering Party:

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

1.9 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.

1.10 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.

1.11 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; provided, however, an Eligible Customer satisfies the creditworthiness procedures set forth in Attachment L and meets the creditworthiness requirements prior to any transaction with Transmission Provider .. 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.Any entity without a Service Agreement but determined to be engaged in an Unreserved Use of the transmission system is an Eligible Customer under the Tariff.

1.12 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.

1.13 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.

1.14 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).

1.15 Interruption:

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

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

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

1.17 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.

1.18 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.

1.19 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.

1.20 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.

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

The information system and standards of conduct implemented by the Transmission Provider, as may be amended from time to time.

1.22 Pacific Prevailing Time or PPT:

The local time in Los Angeles, California.

1.23 Part I:

Tariff Definitions and Common Service Provisions contained in Sections 2 through 12.

1.24 Part II:

Tariff Sections 13 through 27 pertaining to Point-To-Point Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.25 Parties:

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

1.26 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.

1.27 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.

1.28 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.

1.29 Power Purchaser:

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

1.30 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.

1.31 Preschedule Day:

The preschedule day identified in WECC’s Approved Preschedule Calendar

for the given calendar year.

1.32 Receiving Party:

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

1.33 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.

1.34 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.

1.35 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.

1.36 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.

1.37 Short-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 less.

1.38 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.

1.39 System Impact Study:

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

1.40 Tariff:

This Open Access Transmission Tariff as may be amended from time to time.

1.41 Third-Party Sale:

Any sale for resale in interstate commerce to a Power Purchaser.

1.42 Transmission Customer:

Any Eligible Customer (or its Designated Agent) that executes a Service Agreement. This term is used in the Part I Common Service Provisions to include customers receiving transmission service under Part II of this Tariff.

1.43 Transmission Provider:

The transmitting 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.

1.44 Transmission Service:

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

1.45 Transmission System:

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

1.46 Unreserved Use:

Unreserved Use shall have the meaning ascribed in Section 13.4 of the Tariff.

2 Renewal Procedures for Existing Firm Service Customers

2.1 Continuation of Service

Subject to the Service Agreement term limitation in Section 13.1, existing firm service customers (wholesale requirements and transmission-only, with a contract term greater than one year), have the right to continue to take transmission service from the Transmission Provider when the contract expires, rolls over or is renewed; provided, however, the total term for any Service Agreement, including all renewal options, is limited to three (3) years, unless:

2.1.1 In the exclusive determination of Transmission Provider, the Eligible Customer has satisfied the requirements of the Governmental Person Use Certification and the requirements of Section 5.2 of this Tariff; or

2.1.2 The Transmission Provider and a firm service customer with a contract term of two (2) years or more mutually agreed to add the following automatic renewal option to the initial Transmission Service Agreement: "**Automatic renewal option**": This TSA will automatically renew for an additional term of two (2) years, unless either Party notifies the other party of the termination of this automatic renewal option on or before the date that is

one (1) year prior the last day of the initial term of the TSA, and one (1) year prior to the last day of each subsequent term of the TSA thereafter."

2.2 Competing Requests

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 requesting service (up to three (3) years in duration) and be willing to pay the current rate for such service, as approved by the Transmission Provider's Board of Commissioners and the Los Angeles City Council for such service; provided that, the firm service customer (i) shall have a right of first refusal at the end of such service only if the Transmission Customer has not exhausted its three (3) year Service Agreement limitation and (ii) may only renew the service for a period such that the total term of the Service Agreement, including all renewal options, does not exceed three (3) years, unless in the exclusive determination of Transmission Provider, the Eligible Customer has satisfied the requirements of the Governmental Person Use Certification and the requirements of Section

5.2 of this Tariff; or the Transmission Provider and a firm service customer with a contract term of two (2) years or more have mutually agreed to add the automatic renewal option set forth in Section 2.1.2 of this Tariff to the initial Transmission Service Agreement. The existing firm service customer must provide notice to the Transmission Provider whether it will exercise its right of first refusal no less than six (6) months 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 greater than one year.

2.3 Prior Service Agreements

Service agreements entered into under Transmission Provider's open access transmission tariff prior to the effective date of this Tariff, unless terminated, will be subject to the renewal procedures above on the first roll over date after the effective date of this Tariff.

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, 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 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 Imbalanceand Frequency Response Service or Generator Regulation and Frequency Response Service, (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, 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 pursuant to Schedule 11. 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 utility providing transmission service but is not a Control Area operator for any segment of the transmission path, 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, 9, and 10) from a third party or by self-supply when technically feasible.

The Transmission Provider specifies the rate treatment and all related terms

and conditions in the event of an unreserved use of Ancillary Services by the Transmission Customer in Schedule 11.

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 3.8 below list the eight 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.

3.8 **Generator Regulation and Frequency Response Service:**

Where applicable the rates and/or methodology are described in Schedule 10.

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 business practices and posted on OASIS. 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 Section 19.

The Transmission Provider shall post on OASIS and 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.

5 Municipal Tax Exempt Bonds

5.1 Transmission Provider Own Facilities Financed by Tax Exempt and Tax Credit 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 municipal bond(s) used to finance the Transmission Provider's facilities that would be used in providing

such transmission service.

5.2 Governmental Person Use Certificate

5.2.1 The Transmission Provider may provide Transmission Service to an Eligible Customer in which the total term for any Service Agreement, including all renewal options, is greater than three (3) years, if the Eligible Customer provides a Governmental Person Use Certificate to the Transmission Provider, substantially in the form of Attachment A-2, consisting of a signed and notarized declaration, from a senior management representative who is duly authorized to represent Eligible Customer.

5.2.2 Any dispute between Transmission Provider and the Eligible Customer as to the determinations made by Transmission Provider in this Section 5.2 shall not be subject to the dispute resolution provisions of Section 12 of this Tariff; provided that nothing in this Section 5.2 shall be construed as affecting in any way the ability of the Transmission Provider or Eligible Customer to exercise rights under any applicable law or regulations.

5.2.3 To facilitate the review by the Transmission Provider of the Eligible Customer Certification set forth in 5.2.1, the Eligible Customer may include documentary support, such as an IRS letter ruling or an unqualified opinion of a nationally-recognized bond counsel supporting the statements in the Certification. The Transmission Provider shall review and respond to the

Eligible Customer's submission of a Governmental Person Use Certificate within forty five (45) days of receipt of said request**.**

5.2.4 After Transmission Provider's review of the Eligible Customer Certification provided in Section 5.2.1, which may include review by Transmission Provider's bond counsel, Transmission Provider will inform the Eligible Customer whether, providing the Eligible Customer with a term of service longer than three (3) years pursuant to the Eligible Customer Certification would not jeopardize the tax-exempt status of any municipal bond(s) used to finance the Transmission Provider's facilities. The Transmission Provider shall have the exclusive judgment to make such determination. Eligible Customer agrees to pay or reimburse Transmission Provider for reasonable costs and expenses (including fees and expenses of counsel) that may be incurred by Transmission Provider for review of the individual Eligible Customer's Governmental Person Use Certificate.

5.2.5 Supplemental Procedures for Resale, Assignment or Transfer of Service. An Eligible Customer that has been informed by Transmission Provider after the review in Section 5.2.4 that it qualifies for Transmission Service under a Service Agreement in which the total term, including all renewal options, is greater than three (3) years, may only sell, lay-off, or otherwise transfer in any manner, any individual service transaction pursuant

to the provisions set forth in Section 23 of this Tariff, if the total term of the Service Agreement, including all renewal options, does not exceed three (3) years, unless in the exclusive determination of Transmission Provider, the other Eligible Customer to which such service is sold, laid-off or otherwise transferred has also satisfied the requirements of the Eligible Customer Certification in Section 5.2 of this Tariff. Any resale, assignment or transfer of service that fails to conform to the provisions of Sections 5.2.5 and 23 of this Tariff, by intent or otherwise, shall be void and unenforceable.

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.

7 Billing and Payment

7.1 Billing Procedure:

Within a reasonable time after the first day of each month, the Transmission Provider shall submit an invoice to the Transmission Customer for the charges for all services furnished under the Tariff during the preceding month. The

invoice shall be paid by the Transmission Customer on the twentieth (20^{th}) day of the invoicing month or the tenth (10^{th}) day after receipt of the invoice, whichever occurs earlier. All payments shall be made in immediately available funds in U.S. dollars 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 payable with interest calculated daily, at a rate equal to 200 basis points above the per annum Prime Rate reported daily in the Wall Street Journal for the period beginning on the day after the due date and ending on the day of payment; provided that, such interest shall not exceed the amount permitted by law. 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 provide written notice to the Transmission Customer of Transmission Provider's intent to terminate service sixty (60) calendar days from the date of such notice. Transmission Customer shall have seven (7) calendar days following the receipt of the Transmission Provider's notice of termination to submit a written request to the Transmission Provider to commence the dispute resolution procedures of Section 12 of this Tariff. If Transmission Customer does not provide such notice within seven (7) calendar days of receipt of the notice of termination, then Transmission Provider may terminate service to the Transmission Customer on the date specified in the notice of termination. If the Transmission Customer does submit a timely written request to commence dispute resolution procedures, then Section 12 of this Tariff shall apply. 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.

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.

9 Tariff and Rate Changes, Withdraw, and Reservation of Rights

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 propose a change in rates, terms and conditions, charges or classification of service. The Transmission Provider may also change the rates that apply to transmission service under any Service Agreement under this Tariff pursuant to applicable law.

The Transmission Provider reserves the right to withdraw and terminate the Tariff. However, the Transmission Provider will not terminate Transmission Service during the stated term of a Service Agreement for Firm Point-to-Point Transmission Service. The Transmission Provider will also not terminate Transmission Service for Non-Firm Point-to-Point Service Agreements with a duration of less than 30 days. The Transmission Provider will provide thirty (30) days advance written notice prior to the terminating service under Service Agreements for Non-Firm Point-to-Point Transmission Service with a duration of more than thirty (30) days.

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.

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.

11 Creditworthiness

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

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 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 agree 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:

Arbitration may be initiated under the Tariff. In the event that the Parties mutually agree to arbitration, the Parties shall comply with the following procedures:

12.2.1 Such arbitration shall be conducted before a single neutral arbitrator appointed by the Parties.

12.2.2 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.

12.2.3 Whether a single arbitrator or a three-member arbitration panel is selected, the arbitrator(s) 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 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.

12.4 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.

12.5 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.

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, including all renewals granted in accordance with Section 2, shall be limited to three years pursuant Section 5.1 of this Tariff, unless in the exclusive determination of Transmission Provider, the Eligible Customer has satisfied the requirements of the Governmental Person Use Certification and the requirements of Section 5.2 of this Tariff, in which case the maximum term shall be specified in the Service Agreement; or the Transmission Provider and a firm service customer with a contract term of two (2) years or more have mutually agreed to add the automatic renewal option set forth in Section 2.1.2 of this Tariff to the initial Transmission 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-confirmed, 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 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. 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. 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. 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 ("Unreserved Use") will be deemed, for purposes of assessing any appropriate charges and penalties for such Unreserved use, 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:

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 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.

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 and the system directly and indirectly interconnected with Transmission Provider’s Transmission System, Curtailments will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint. Transmission Provider may elect to implement such Curtailments pursuant to the WECC procedures and protocols for unscheduled flow mitigation specified in Attachment J. If multiple transactions require Curtailment, to the extent practicable and consistent with Good Utility Practice, the Transmission Provider will curtail service to 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, operating procedures and the conditions described in Section 15.4 of this Tariff 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.

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 transmission capacity 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.

(d) In the event that a Transmission Customer or Eligible Customer 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, the Transmission Customer or Eligible Customer shall pay an Unreserved Use charge and penalty in accordance with Schedule 11.

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 3:00 p.m. PPT of the day prior to commencement of such service. Schedules submitted after 3:00 p.m. PPT 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. Subject to Transmission Provider’s prior approval, 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 applicable Balancing Authority, hour-to-hour schedules and, when available, 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 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 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-Confirmation 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. 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. 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.

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 under Schedule 11 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 an hourly, 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 3:00 p.m. PPT of the Preschedule Day prior to commencement of such service. Schedules submitted after 3:00 p.m. PPT 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 or the systems directly and indirectly interconnected with Transmission Provider's Transmission System. Transmission Provider may elect to implement such Curtailments pursuant to the WECC procedures and protocols for unscheduled flow mitigation specified in Attachment J. 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, or (4) 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 non-discriminatory 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). 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.

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 for Firm Point-To-Point Transmission Service, the Transmission Provider will notify Transmission Customer of the need for a System Impact Study in accordance with Section 19.1.

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

If 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, Transmission Customer or Transmission Provider may submit a written notification of the disputed terms and conditions pursuant to dispute resolution procedure of Section 12 of this Tariff. The written notification should detail the acceptable

versus the disputed terms and conditions. Transmission Provider may commence providing reliable Transmission Service in compliance with this Tariff and all Applicable Reliability Standards to the Transmission Customer under an unexecuted Point-To-Point Service Agreement containing terms and conditions deemed appropriate by Transmission Provider for such requested Transmission Service**,** subject to the Transmission Customer agreeing to (1) compensate Transmission Provider at its current just and reasonable rate, as approved by Transmission Provider's Board of Commissioners and Los Angeles City Council, and (2) 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 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 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 Agreements:

Eligible Customers receiving transmission service under other agreements with Transmission Provider may continue to receive transmission service under those agreements until such time as those agreements may expire or terminate.

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 is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. If

Transmission Provider provides losses, the applicable charges for Real Power Losses shall be calculated based on the procedures set forth in Schedule 12.

The applicable Real Power Loss factors are as follows:

a. 6.2% for any path using the Pacific Direct Current Intertie or Intermountain Power Project Direct Current segments;

b. 4.8% for any path using only Alternating Current segments; and

c. An additional 5.89% loss factor will be included for any path using the SYLMAR to PALOVERDE500 segments.

For paths using a combination of segments, the highest loss factor will apply.

For example:

1. Scheduling transmission on the path NOB to MEAD230, the 6.2% loss factor will be used.
2. Scheduling transmission on the path MARKETPLACE500 to MEAD230, the 4.8% loss factor will be used.
3. Scheduling transmission on the path NOB to PALOVERDE500, the 12.09% (6.2%+5.89%) loss factor will be used.
4. Scheduling transmission on the path MARKETPLACE500 to PALOVERDE500, the 10.69% (4.8%+5.89%) loss factor will be used.

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 a pending transmission service request in the OASIS queue for Point-To-Point Transmission Service and, for any resale, reassignment or transfer of Firm Point-To-Point Transmission Service, it also has submitted an executed Service Agreement in the form of Attachment A-1 to the addressee identified in Section 17.1 of this Tariff;

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

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

(d) 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;

(e) 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;

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

(g) The Transmission Customer has executed a Point-To-Point Service Agreement including the necessary specifications for Long-Term Firm Point-To-Point Transmission Service or has agreed to receive service pursuant to Section 15.3; and

(h) If applicable, the provisions of Section 5 have been satisfied..

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.

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

17.1 Application:

Subject to Sections 17.2 and 17.3 of this Tariff, a request for Long-Term Firm Point-To-Point Transmission Service for periods greater than one year must contain a written Application to: Attention: Manager of Transmission Contracts, Los Angeles Department of Water and Power, 111 N. Hope Street, Room 1246, Los Angeles, CA 90012, at least sixty (60) days but no greater than three (3) years in advance of the calendar month in which service is to commence. Requests for Short-Term Firm Point-To-Point Transmission Service (for periods of one year or less) shall be subject to Section 17.2 of this Tariff, and any procedures posted on Transmission Provider's OASIS. Such requests shall be processed within the time constraints provided in Section 17.5. All Firm Point-To-Point Transmission Service requests should be submitted by entering the information listed below on the Transmission Provider's OASIS. This method will be subject to a time-stamped record for establishing the priority of the Application. The Application procedures for Firm Point-To-Point Transmission Service can be found on the Transmission Provider's OASIS website.

17.2 Completed Application:

A Completed Application shall comply with the requirements of Sections 17.1 and 17.2 of this Tariff and also include all of the information identified in 18

CFR Section 2.20 or its successor including but not limited to the following:

(i) The identity, address, telephone number, electronic mail address, and facsimile number 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 its Standards of Conduct posted on its OASIS website;

(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;

(x) A statement indicating which Ancillary Services the Eligible Customer will purchase from Transmission Provider. In the event the Eligible Customer chooses to self-supply any necessary Ancillary Services, the Eligible Customer must demonstrate the capability of meeting NERC and WECC requirements and is consistent with the Transmission Provider’s Business Practices

when acquiring all necessary Ancillary Services from another source; and

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

The Transmission Provider shall treat this information consistent with its Standards of Conduct posted on its OASIS website.

17.3 Deposit for Long-Term Point-To-Point Transmission Service:

A Completed Application for Long-Term Firm Point-To-Point Transmission Service also shall include a deposit of one month's charge for Reserved Capacity payable to LADWP. If the Application is rejected by the Transmission Provider because it does not meet the conditions for service as set forth herein, the deposit shall be returned. The deposit also will be returned without interest 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 Long-Term Firm Point-To-Point Transmission Service, the deposit shall be refunded in full, without interest. Deposits associated with construction of new facilities are subject to the provisions of Section 19. If a Service Agreement for Long-Term Firm Point-To-Point Transmission Service is executed, the deposit, without interest, will be

returned to the Transmission Customer upon expiration or termination of the Service Agreement for Firm Point-To-Point Transmission Service.

17.4 Notice of Deficient Application:

If an Application fails to meet the requirements of the Tariff, 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, without 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.

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. Transmission Provider's execution of the Service Agreement is subject to approval by its governing body. 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 without 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 two (2) one-year extensions for the commencement of service. The Transmission Customer may postpone service by providing written notice to Transmission Provider no less than sixty (60) days prior to the commencement of service and 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.

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 in Section 18.2 on the Transmission Provider's OASIS. 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 Section 2.20 or its successor including but not limited to the following:

(i) The identity, address, telephone number, facsimile number and electronic mail 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 its Standards of Conduct.

(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 seven (7) days before service is to commence, and requests for hourly service shall be submitted no earlier than 11:00 a.m. PPT of the Preschedule Day before service is to commence. Requests for service received later than the times specified above may be accommodated by Transmission Provider.

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 Non-Firm Point-To-Point 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.

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 non-discriminatory 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 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, including any costs that exceed the study deposit. 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 along with a study deposit of $50,000 within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement or fails to return it to Transmission Provider along with the study deposit within the time

prescribed above, its Application shall be deemed withdrawn and its deposit , pursuant to Section 17.3, shall be returned without interest.

19.2 System Impact Study Agreement and Cost Reimbursement:

(i) The System Impact Study Agreement will clearly specify the Transmission Provider's cost estimate and estimated 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 8.2.

19.3 System Impact Study Procedures:

Upon receipt of an executed System Impact Study Agreement within the time prescribed in Section 19.2, 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, (2) 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 (3) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. In the event that the Transmission Provider is unable to complete the required System Impact Study within the sixty (60) day 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 in writing an unexecuted Service Agreement pursuant to Section 15.3 of the Tariff and return it to Transmission Provider within the time prescribed, 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 along with a study deposit of $75,000 payable to LADWP 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 without 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 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. 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 Requirement to Meet Study Completion Deadline.

Transmission Provider is required to use due diligence to meet 60 day study completion deadline for System Impact Study and Facility Impact Study pursuant to Sections 19.3 and 19.4 respectively.

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.

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 without interest. However, the Transmission Customer shall be responsible for all prudently incurred costs by the Transmission Provider through the time construction was suspended.

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.

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. 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.

23 Sale or Assignment of Transmission Service

23.1 Procedures for Resale, Assignment or Transfer of Service:

Subject to the limitations in Section 5.2 of this Tariff , 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 the 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.

The Reseller and Assignee must execute the Form of Service Agreement for the Resale, Assignment or Transfer of Point-To-Point Transmission Service (Attachment A-1) with the Transmission Provider governing reassignments of transmission service prior to the date on which the reassigned service commences. Transmission Provider is not responsible for administering any financial arrangements between the Reseller and Assignee, including without limitation, the payment of financial losses and penalties. Reseller remains liable for any and all financial obligations and payments to Transmission Provider under the parent Service Agreement except as specifically agreed to by the Transmission Provider and the Reseller through an amendment to the Service Agreement. Transmission Provider will not accept payment from an Assignee for a resale transaction on behalf of a Reseller. 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.

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.

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.

26 Stranded Cost Recovery

The Transmission Provider reserves the right to recover stranded costs from the Transmission Customer pursuant to this Tariff in accordance with the terms and conditions set forth in FERC Order No. 888 and pursuant to any other applicable law. The Transmission Provider's proposed stranded cost recovery shall be subject to the dispute resolution procedures of this Tariff.

27 Compensation for New Facilities

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.

III. NETWORK INTEGRATION TRANSMISSION SERVICE

Reserved.

SCHEDULE 1

Scheduling, System Control and Dispatch 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 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.

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 provided by the Transmission Provider equal to the amount set forth below. For Point-to-Point Transmission Service, the rate shall be applied to the Transmission Customer’s Reserved Capacity.

Schedule 1 - Scheduling, System Control and Dispatch Service		
Service	**Period**	**Rates**
Hourly	On-Peak	$0.425/MWh
Hourly	Off-Peak	$0.202/MWh
Daily	Full	$0.005/kW-day
Weekly	Full	$0.034/kW-mo
Monthly	Full	$0.147/kW-mo
Yearly	Full	$1.770/kW-yr

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. 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.

All Transmission Customers required to acquire reactive supply and voltage control shall pay a charge invoiced monthly for reactive supply and voltage control equal to the amount set forth below. For Point-to-Point Transmission Service, the rate shall be applied to the Transmission Customer's Reserved Capacity.

Schedule 2 – Reactive Supply and Voltage Control from Generation and Other Sources Service		
Service	**Period**	**Rates**
Hourly	On-Peak	$0.633/MWh
Hourly	Off-Peak	$0.301/MWh
Daily	Full	$0.007/kW-day
Weekly	Full	$0.051/kW-wk
Monthly	Full	$0.220/kW-mo
Yearly	Full	$2.634/kW-yr

SCHEDULE 3Regulation 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 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.

1. **Regulation and Frequency Response Service Requirements**:

The Transmission Customer's total load within the Transmission Provider's Control Area shall not exceed the Transmission Customer's Reserved Capacity, and the Transmission Provider shall have no obligation to provide this service for any other loads of the Transmission Customer.

A Transmission Customer purchasing Regulation and Frequency Response Service will be required to purchase an amount of such service equal to 3.496 percent of the Transmission Customer's Reserved Capacity for Point-to-Point Transmission Service. Where the Transmission Customer's Reserved Capacity is used to deliver power from a non-dispatchable resource physically or electrically located in the Transmission Provider's Control Area to the Transmission Customer's load, the Transmission Customer shall purchase Generator Regulation and Frequency Response Service under Schedule 10. The Transmission Provider may not charge a Transmission Customer for service under both Schedule 3 and Schedule 10 for the same Reserved Capacity. The billing determinants for this service shall be reduced by any portion of the 3.496 percent purchase obligation that a Transmission Customer obtains from third-parties or supplies itself.

2. Compensation to for Regulation and Frequency Response Service:

All Transmission Customers required to acquire Regulation and Frequency Response Service shall pay a charge invoiced monthly equal to the amount set forth below.

Schedule 3 – Regulation and Frequency Response Service		
Service	**Period**	**Rates**
Hourly	On-Peak	$22.878/MWh
Hourly	Off-Peak	$10.864/MWh
Daily	Full	$0.261/kW-day
Weekly	Full	$1.830/kW-wk
Monthly	Full	$7.931/kW-mo
Yearly	Full	$95.171/kW-yr

SCHEDULE 4

Energy Imbalance Service

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 has established 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, using the Hourly Pricing Proxy;

(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 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 the Hourly Pricing Proxy for under-scheduling or 90 percent of the Hourly Pricing Proxy for over-scheduling; and (iii) deviation greater than +/- 7.5 percent (or greater than 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 the Hourly Pricing Proxy for under-scheduling or 75 percent of the Hourly Pricing Proxy for over-scheduling.

Hourly Pricing Proxy: For purposes of this Schedule, "Hourly Pricing Proxy" is defined as the average price for each hour of the delivered energy price at SP15 day-ahead Index. At the end of each month, the Transmission Provider shall calculate the Hourly Pricing Proxy using pricing information from Dow Jones, the California ISO or another authenticated source.

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: (a) to serve load within the Transmission Provider's Control Area and (b) to support sales from generators located 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.

1. **Spinning Reserve Service Requirements:**

The Transmission Customer may purchase Spinning Reserve Service under this Tariff to satisfy its spinning reserve obligations commensurate with the amount of Reserved Capacity purchased from the Transmission Provider. Specifically, the Transmission Customer's total load within the Transmission Provider's Balancing

Authority Area shall not exceed the Transmission Customer's Reserved Capacity, and the Transmission Provider shall have no obligation to provide this service for any other loads of the Transmission Customer.

If spinning reserves are provided by any party other than the Transmission Provider, sufficient transmission capacity shall be purchased to provide for the delivery of spinning reserves under any credible single contingency. Spinning reserves shall not be provided by the same generation resource supplying load, since loss of this resource represents a credible single contingency.

The Transmission Customer shall identify in its Application the manner by which it intends to provide for spinning reserves. The use of any resources owned by parties other than the Transmission Provider as spinning reserve resources shall be subject to verification by the Transmission Provider, and such resources shall conform to applicable WECC and NERC criteria for spinning reserves.

A Transmission Customer purchasing Spinning Reserve Service will be required to purchase an amount of such service equal to 6.027 percent of the Transmission Customer's Reserved Capacity for Point-to-Point Transmission Service. The billing determinants for this service shall be reduced by any portion of the percent purchase obligation that a Transmission Customer obtains from third-parties or supplies itself.

2. <u>Compensation for Spinning Reserve Service</u>:

All Transmission Customers required to acquire Spinning Reserve Service shall pay a charge invoiced monthly equal to the amount set forth below.

Schedule 5 – Operating Reserve – Spinning Reserve Service			
			6.027% Purchase Requirement
Service	**Period**		**Rates**
Hourly	On-Peak		$37.064/MWh
Hourly	Off-Peak		$17.601/MWh
Daily	Full		$0.424/kW-day
Weekly	Full		$2.965/kW-wk
Monthly	Full		$12.849/kW-mo
Yearly	Full		$154.186/kW-yr

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: (a) to serve load within its Control Area and (b) to support sales from generators located 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.

1. **Supplemental Reserve Service Requirements:**

The Transmission Customer may purchase Supplemental Reserve Service under this Tariff to satisfy its supplemental reserve obligations commensurate with the amount of Reserved Capacity purchased from the Transmission Provider. Specifically, the

Transmission Customer's total load within the Transmission Provider's Balancing Authority Area shall not exceed the Transmission Customer's Reserved Capacity, and the Transmission Provider shall have no obligation to provide this service for any other loads of the Transmission Customer.

If supplemental reserves are provided by any party other than the Transmission Provider, sufficient transmission capacity shall be purchased to provide for the delivery of supplemental reserves under any credible single contingency.

The Transmission Customer shall identify in its Application the manner by which it intends to provide for supplemental reserves. The use of any resources owned by parties other than the Transmission Provider as supplemental reserve resources shall be subject to verification by the Transmission Provider, and such resources shall conform to applicable WECC and NERC criteria for supplemental reserves.

A Transmission Customer purchasing Supplemental Reserve Service will be required to purchase an amount of such service equal to 6.027 percent of the Transmission Customer's Reserved Capacity for Point-to-Point Transmission Service. The billing determinants for this service shall be reduced by any portion of the 6.027 percent purchase obligation that a Transmission Customer obtains from third-parties or supplies itself.

2. <u>Compensation for Supplemental Reserve Service</u>:

All Transmission Customers required to acquire Supplemental Reserve Service shall pay a charge invoiced monthly equal to the amount set forth below.

Schedule 6 – Operating Reserve – Supplemental Reserve Service			
			6.027% Purchase Requirement
Service	**Period**		**Rates**
Hourly	On-Peak		$8.554/MWh
Hourly	Off-Peak		$4.062/MWh
Daily	Full		$0.098/kW-day
Weekly	Full		$0.684/kW-wk
Monthly	Full		$2.965/kW-mo
Yearly	Full		$35.583/kW-yr

SCHEDULE 7

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

Transmission Service

A. Rates: 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**: one-twelfth of the demand charge of $44.236/kW of Reserved Capacity per year.
2) **Monthly delivery**: $3.686/kW of Reserved Capacity per month.
3) **Weekly delivery**: $0.851/kW of Reserved Capacity per week.
4) **Daily delivery**: $0.122/kW of Reserved Capacity per day.
5) **On-Peak Hourly delivery**: $10.634/MW of Reserved Capacity per hour.
6) **Off-Peak Hourly delivery**: $5.050/MW of Reserved Capacity per hour.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts megawatts of Reserved Capacity in any day during such week. The basic charge for Hourly delivery shall not exceed the price per megawatts of Reserved Capacity per hour specified in sections (5) or (6) above during on-peak and off-peak hours, respectively. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (4) above for Daily delivery 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 (3) above for Weekly delivery times the highest amount in kilowatts of Reserved Capacity in any hour during such week. For purposes of Hourly Delivery under this Schedule 7, "on-peak" hours shall be hours ending 07:00 through 22:00 PPT, Monday through Saturday excluding holidays, and "off-peak" hours shall be all other hours.

B. 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.

C. 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.

SCHEDULE 8

Non-Firm Point-To-Point Transmission Service

A. Rates: The Transmission Customer shall compensate the Transmission Provider for Non-Firm Point-To-Point Transmission Service up to the sum of the applicable charges set forth below:

1) **Monthly delivery**: $3.686/kW of Reserved Capacity per month.

2) **Weekly delivery**: $0.851/kW of Reserved Capacity per week.

3) **Daily delivery**: $0.122/kW of Reserved Capacity per day.

4) **On-Peak Hourly delivery**: $10.634/MW of Reserved Capacity per hour.

5) **Off-Peak Hourly delivery**: $5.050/MW of Reserved Capacity per hour.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any day during such week. The basic charge for Hourly delivery shall not exceed the price per megawatts of Reserved Capacity per hour specified in sections (4) or (5) above during on-peak and off-peak hours, respectively. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (4) or (5) 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 (2) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week. For purposes of Hourly Delivery under this Schedule 8, "on-peak" hours shall be hours ending 7:00 through 22:00 PPT, Monday through Saturday excluding holidays, and "off-peak" hours shall be all other hours.

B. 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.

C. 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.

SCHEDULE 9

Generator Imbalance Service

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 charge for Generator Imbalance Service 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 the month, using the Hourly Pricing Proxy;

(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 the Hourly Pricing Proxy for under-scheduling or 90 percent of the Hourly Pricing Proxy for over-scheduling; and

(iii) deviations greater than +/- 7.5 percent (or greater than 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 125 percent of the Hourly Pricing Proxy for under-scheduling or 75 percent of the Hourly Pricing Proxy for over-scheduling, 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.

Hourly Pricing Proxy: For purposes of this Schedule, "Hourly Pricing Proxy" is defined as the average price for each hour of the delivered energy price at SP15 day-ahead Index. At the end of each month, the Transmission Provider shall calculate the Hourly Pricing Proxy using pricing information from Dow Jones, the California ISO or another authenticated source.

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 the Hourly Pricing Proxy. Such directives may include instructions to correct frequency decay, respond to a reserve sharing event, or change output to relieve congestion.

SCHEDULE 10
Generator Regulation and Frequency Response Service

Generator 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). Generator 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/or by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes in generation output. The obligation to maintain this balance between resources and the generator's schedule lies with the Transmission Provider (or the Control Area that performs this function for the Transmission Provider).

The Transmission Provider (or the Control Area that performs this function for the Transmission Provider) must offer this service when transmsision service is used to deliver energy from a generator physically or electrically located within the Transmission Provider's Control Area. Generator Regulation and Frequency Response Service applies to the extent that a Transmission Customer is not already subject to Regulation and Frequency Response Service provided under Schedule 3 for the same Reserved Capacity. 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 or processes capable of providing this service, to satisfy its Generator Regulation and Frequency Response Service obligation.

The amount of and charges for Generator Regulation and Frequency Response Service are set forth below. To the extent a Control Area performs this service for the Transmission Provider, charges to the Transmission Customer or generator are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area. The Transmission Provider may not charge a Transmission Customer for service under both Schedule 3 and Schedule 10 for the same Reserved Capacity.

1. **Generator Regulation and Frequency Response Service Requirements**:

The Transmission Customer or generator shall identify in its Application the manner by which it intends to provide for Generator Regulation and Frequency Response Service. The use of any resources owned by parties other than the Transmission Provider shall conform to applicable the Western Electricity Coordinating Council (WECC) and the North American Electric Reliability Council (NERC) criteria.

A Transmission Customer or generator delivering energy outside of the Transmission Provider's balancing authority area from a dispatchable generation resource and purchasing Generator Regulation and Frequency Response Service will be required to purchase such service based on 3.496 percent of the maximum name plate capacity of the generator.

A Transmission Customer delivering energy from a non-dispatchable generating resource: (a) to load in the Transmission Provider's Control Area, or (b) outside of the Transmission Provider's Control Area, shall in each case purchase Generator Regulation and Frequency Response Service based on 9.278 percent of the maximum name plate capacity of the generator.

The billing determinants for this service shall be reduced by any portion of the purchase obligation that a Transmission Customer or generator obtains from third-parties or supplies itself.

2. Compensation to for Generator Regulation and Frequency Response Service:

All Transmission Customers required to acquire Generator Regulation and Frequency Response Service shall pay a charge invoiced monthly equal to the amount set forth below.

Schedule 10 – Generator Regulation and Frequency Response Service			
		3.496% Purchase Requirement (Note 1)	9.278% Purchase Requirement (Note 1)
Service	**Period**	**Rates**	**Rates**
Hourly	On-Peak	$	$22.878/MWh
Hourly	Off-Peak	$	$10.864/MWh
Daily	Full	$	$0.261/kW-day
Weekly	Full	$	$1.830/kW-wk
Monthly	Full	$	$7.931/kW-mo
Yearly	Full	$95.171/kW-yr	$95.171/kW-yr

Note 1: 3.496% Purchase Requirement applies when using a dispatchable generation resource. 9.278% Purchase Requirement applies when using a non-dispatchable generation resource.

SCHEDULE 11Unreserved Use of Transmission Service

The Transmission Provider will impose an Unreserved Use charge and penalty in any circumstance where the Transmission Provider detects that an Eligible Customer has used transmission service that it has not reserved (including instances where transmission was used in excess of the quantity reserved). For the purpose of this Schedule 11, and in accordance with Section 13.4 under this Tariff, such Eligible Customer shall be deemed to have executed the appropriate Service Agreement attached to this Tariff.

In each case of Unreserved Use, the Transmission Customer shall pay, exclusive of any discounts that may be offered to any other Eligible Customer during the Unreserved Use period, an Unreserved Use charge and penalty. The Transmission Provider will calculate unreserved use penalties as follows:

1. The penalty for a single hour of Unreserved Use is two times the Transmission Provider's rate at the time of the unreserved use for Daily Firm Point-To-Point Transmission Service as set forth on Schedule 7;
2. More than one Unreserved Use penalty assessment for service of a given duration will increase the penalty period to the next longest duration (e.g., hourly to daily, daily to weekly, weekly to monthly), with the penalty being two times the Transmission Provider's rate in effect at the time of the Unreserved Use for Firm Point-To-Point Transmission Service for the applicable service duration; and
3. For the actual period of Unreserved Use, the Transmission Provider will charge

the Eligible Customer for any ancillary services associated with the customer's Unreserved Use pursuant to the terms of Schedules 1, 2, 3, 4, 5, 6, 8, 9 and 10 of the Tariff.

SCHEDULE 12

Real Power Losses

Transmitting electricity at high voltage results in fractional energy lost due to resistance, which varies depending on voltage level and length of the transmission element. For any transmission service, there is an associated real power loss. Transmission Provider, however, is not obligated to provide Real Power Losses. The Transmission Customer is responsible for replacing Real Power Losses associated with all transmission service as delineated in this Schedule 12.

1. Loss Path

Transmission Customer acquiring Firm or Non-Firm Point-to-Point Transmission Service shall reimburse Transmission Provider for Real Power Losses that result from transmitting electric energy across the Transmission Provider's Transmission System and such Real Power Losses will be assessed based on the Real Power Loss factor associated with the following paths:

a. Any path using the Pacific Direct Current Intertie or Intermountain Power Project Direct Current transmission line; or

b. Any path using the Palo Verde and Sylmar segments; or

c. Any path using alternating current segments.

2. Loss Settlement

Pursuant to Section 15.7 of the Tariff, this Schedule 12 and Transmission Provider's Business Practices posted on OASIS, Transmission Customer at the time of scheduling Firm or Non-Firm Point-to-Point Transmission Service shall elect to settle Real Power Losses pursuant to Section 2(a) of this Schedule, Financial Settlement, or Section 2(b) of this Schedule, Physical Delivery. Otherwise, the scheduled Point-to-Point Transmission Service will result in Financial Settlement pursuant to Section 2(a) below.

a. Financial Settlement

Real Power Losses shall be the percentage identified in the Transmission Provider's OASIS website multiplied by Transmission Customer's usage (measured in MWhs) as measured by the revenue-quality meter(s) installed at the Point(s) of Receipt during each hour less any curtailments, correction or adjustments mutually agreed on by Transmission Provider and Transmission Customer.

In the event that the Transmission Provider provides Real Power Losses service to Transmission Customer, Transmission Customer shall compensate the Transmission Provider for each hour of service provided at a rate equal to the Hourly Pricing Proxy as defined in Schedule 4 or 9.

b. Physical Delivery

At the election of the Transmission Customer, physical delivery of Real Power Losses shall be scheduled to Transmission Provider concurrently with transmission

schedules and said losses shall be the percentage identified in the Transmission Provider's OASIS website multiplied by Transmission Customer's usage (measured in MWhs) as measured by the revenue-quality meter(s) installed at the Point(s) of Receipt during each hour less any curtailments, correction or adjustments mutually agreed on by Transmission Provider and Transmission Customer. Transmission Provider shall deliver to the Point(s) of Delivery the amount of power received from a Transmission Customer at Point(s) of Receipt less Real Power Losses. Any hourly differences between the amounts of power scheduled to be delivered at the Point(s) of Delivery (plus applicable Real Power Losses) and the actual amounts of energy received at the Point(s) of Receipt shall be accounted for as Energy Imbalance subject to charges pursuant to Schedule 4.

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. This section does not apply to Short-Term Transmission Agreements.

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. 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.

8.0 For Long-Term Firm Point-to-Point Service, Transmission Customer has included the two-page form entitled *"Specifications For Long-Term Firm Point-To-Point Transmission Service"* and such form is made a part of this agreement.

9.0 The following provision applies, only if the contract term is two (2) years or more:

Automatic renewal option: This TSA will automatically renew for an additional term of two (2) years, unless either Party notifies the other party of the termination of this automatic renewal option on or before the date that is one (1) year prior the last day of the initial term of the TSA, and one (1) year prior to the last day of each subsequent term of the TSA thereafter.

10. If applicable (refer to Section 5.2 of the Tariff), Transmission Customer has attached the executed Governmental Use Certificate (refer to Attachment A-2 of the Tariff).

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, Assignment Or Transfer Of Point-To-Point Transmission Service

An existing Transmission Customer in good standing may resell Point-to-Point Transmission Service ("Reseller") to another party ("Assignee"), which hereinafter may be referred to collectively as "Parties" and individually as "Party." Both Reseller and Assignee must execute this Form Of Service Agreement For The Resale, Assignment Or Transfer of Point-To-Point Transmission Service prior to the scheduling of any transmission service related hereto.

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

2.0 Terms used herein with initial capitalization, whether in the singular or the plural, shall have the meanings specified in the Tariff and are hereby incorporated into this Service Agreement. Terms used herein, whether in the singular or the plural, which are not defined in the Tariff shall have the meanings set forth below:

2.1 Parent Reservation – an existing, confirmed reservation being modified by a Resale.

2.2 Resale – The request to convey scheduling rights associated with a reservation for Point-To-Point Transmission Service from a Reseller to an Assignee.

3.0 Transmission Provider shall provide Point-To-Point Transmission Service and Ancillary Services to the Assignee in accordance with Section 23 of the Tariff for each Resale transaction requested under this Service Agreement after each of the following conditions has been satisfied:

3.1 Assignee has entered into an agreement for Resale with Reseller;

3.2 Reseller has been determined by Transmission Provider to have submitted on Transmission Provider's OASIS a Completed Application;

3.3 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 and Reseller and Assignee have executed this Service Agreement;

3.4 Reseller has resold Point-To-Point Transmission Service (Parent Reservation) purchased on Transmission Provider's OASIS for which Transmission Provider is the primary provider and for which there is sufficient available capacity on the Parent Reservation for the requested duration. The transmission service being resold may not have been previously scheduled, redirected, resold or otherwise encumbered; and

3.5 The Resale Transaction must be confirmed on OASIS prior to scheduling the capacity.

4.0 Assignee agrees to supply information Transmission Provider deems reasonably necessary in accordance with the provisions of Parts I and II of the Tariff and this Service Agreement.

5.0 Once the Assignee has met the conditions in Section 3 of this Service Agreement, Transmission Provider agrees to provide and Assignee agrees to take Point-To-Point Transmission Service and Ancillary Services requested for a transaction in accordance with the terms and conditions of Parts I and II of the Transmission Provider's Tariff, except for those terms and conditions specifically agreed to by Transmission Provider and included herein. .

6.0 Assignee acknowledges that it may be required by Reseller to compensate Reseller for Real Power Losses for which Reseller has compensated Transmission Provider in accordance with Schedule 12.

7.0 Assignee acknowledges that it may be required by Reseller to compensate Reseller for penalties as are provided for in the Tariff.

8.0 Transmission Provider is not responsible for administering any financial arrangements between the Reseller and the Assignee, including without limitation, the payment of financial losses.

9.0 Reseller remains liable for any and all financial obligations and payments to

Transmission Provider under the original service agreement and Parent Reservation. Transmission Provider will not accept payment from an Assignee for a resale transaction on behalf of a Reseller.

10.0 Any request from Assignee to redirect must be made on the Transmission Provider's OASIS, list Transmission Provider as the Provider and Seller, and may be subject to additional charges or credits if accepted and confirmed.

11.0 Any Resale reservation is subject to displacement should the Parent Reservation be displaced by a higher priority request.

12.0 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.

13.0 If applicable (refer to Section 5.2 of the Tariff), Transmission Customer has attached the executed Governmental Use Certificate (refer to Attachment A-2 of the Tariff).

Transmission Provider:

_____

_____

_____

Assignee:

_____

_____

_____

Reseller:

_____

_____

_____

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

For Resale or Assignment of Long-Term Firm Point-to-Point Service, Assignee has included the two-page form entitled *"Specifications For The Resale, Assignment Or Transfer of Long-Term Firm Point-To-Point Transmission Service"* and such form is made a part of this agreement.

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

Reseller:

By:_____ _____ _____
Name Title Date

Specifications For The Resale, Assignment Or Transfer of
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 Balancing Authority 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 A-2

FORM OF

GOVERNMENTAL PERSON USE CERTIFICATE

PURSUANT TO SECTION 5.2

In connection with the execution of any transmission service agreement (the "TSA") between the Los Angeles Department of Water and Power ("Transmission Provider") and [NAME of COUNTER PARTY] ("Eligible Customer"), relating to Transmission Service provided over certain transmission facilities described therein (the "Facilities"), Eligible Customer certifies, represents and agrees as follows:

Officer Signing. I am the duly [elected/appointed] [Title] of Eligible Customer, authorized to sign this Certificate.

Tax-Exempt Bonds. Eligible Customer understands that this Certificate relates to Facilities that were financed with tax-exempt bonds, Build America Bonds and/or Qualified Energy Conservation Bonds, issued by or on behalf of the Transmission Provider.

Governmental Status. The Eligible Customer is a municipal utility that is owned by a state or local governmental unit or a political subdivision or instrumentality thereof, or is itself a state or local governmental unit or a political subdivision or instrumentality thereof (a "Governmental Person").

Qualifying Use. Except as provided in (e) and (f) below, for the term of any TSA, including any renewal periods, the Eligible Customer will use the Facilities to transmit electricity only in connection with its retail electric system in providing electricity to its retail electric customers.

Short-term Uses. Any sale, assignment, transfer or lay-off in any manner of any service provided to the Eligible Customer under any TSA shall comply with the Tariff procedures for resale, assignment or transfer of service, including but not limited to Sections 5.2.5 and Section 23 of this Tariff.

Governmental Person Uses Permitted. In the event there is to be a sale, lay-off, or other transfer in any manner, of any service pursuant to any TSA, by the Eligible Customer, to another Governmental Person for a period of longer than 3 years, such may

only be permitted if such other Governmental Person satisfies the requirements of Section 5.2 and executes a form of this Certificate.

Additional information. Eligible Customer agrees to immediately inform, in writing, Transmission Provider of any change regarding the foregoing certifications, representations and agreements and agrees that, if such change is reasonably likely, in the discretion of Transmission Provider, to adversely affect the tax exempt status of the Transmission Providers bonds, Transmission Provider may immediately terminate any TSA in accordance with Tariff Section 5.1.

SUBSCRIBED AND SWORN BEFORE A NOTARY PUBLIC

Dated:

by_____

[Name and title of senior management representative duly authorized to represent Eligible Customer]

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

The Transmission Provider's methodology to assess Available Transmission Capacity is set forth as follows:

Purpose

These requirements are documentation provided to comply with NERC Standard MOD-001-1a. It ensures that calculations are performed by Transmission Service Providers to maintain awareness of available transmission system capability on its system. The ATC process flow diagram is laid out in the ATC Diagram shown in the ATC Information folder on OASIS.

R1. Los Angeles Department of Water and Power (LADWP) selected the Rated System Path Methodology, MOD-029-1a, to calculate Available Transfer Capability (ATC).

R2. LADWP calculates ATC in the following periods:

R2.1 Hourly values for at least the next 48 hours.

R2.2 Daily values for at least the next 31 calendar days.

R2.3 Monthly values for at least the next 12 months (months 2-13).

R3.1 Information describing how the selected methodology (or methodologies) has been implemented, in such detail that, given the same information used by the Transmission Service Provider, the results of the ATC or AFC calculations can be validated.

The Total Transfer Capability (TTC) is obtained from the WECC Path Catalog, facility ratings, LADWP planning and operational studies, or contractual allocations.

The TTC obtained above is entered as the default capacity in the system data. As outages are known and scheduled, the new TTC replaces the default capacity as the TTC in the ATC calculation. Prescheduled or planned outages are entered in advance. Forced outages are entered as they occur in real-time.

Implementation of the ATC calculation is based on the ATC formula configuration in the OATI program. Each element of the ATC formula can be set up, in three time horizons, to affect ATC based on contractual agreements and business practices. The configurations are described as follow:

Firm and Non-Firm Existing Transmission Commitments (ETCs) are modeled using each of the elements in R5 and R6 of MOD-029-1a. The equation to calculate ETC is:

$$\mathbf{ETC_F = NL_F + NITS_F + GF_F + PTP_F + ROR_F + OS_F}$$

NL_F is the firm capacity set aside to serve peak Native Load forecast commitments for the time period being calculated, to include losses, and Native Load growth, not otherwise included in Transmission Reliability Margin or Capacity Benefit Margin.

$NITS_F$ is the firm capacity reserved for Network Integration Transmission Service serving Load, to include losses, and Load growth, not otherwise included in Transmission Reliability Margin or Capacity Benefit Margin.

GF_F is the firm capacity set aside for grandfathered Transmission Service and contracts for energy and/or Transmission Service, where executed prior to the effective date of a Transmission Service Provider's Open Access Transmission Tariff or "safe harbor tariff."

PTP_F is the firm capacity reserved for confirmed Point-to-Point Transmission Service.

ROR_F is the firm capacity reserved for Roll-over rights for contracts granting Transmission Customers the right of first refusal to take or continue to take Transmission Service when the Transmission Customer's Transmission Service contract expires or is eligible for renewal.

OS_F is the firm capacity reserved for any other service(s), contract(s), or agreement(s) not specified above using Firm Transmission Service as specified in the ATCID.

$$\mathbf{ETC_{NF} = NL_{NF} + NITS_{NF} + GF_{NF} + PTP_{NF} + ROR_{NF} + OS_{NF}}$$

NL_{NF} is the non-firm capacity set aside to serve peak Native Load forecast commitments for the time period being calculated, to include losses, and Native

Load growth, not otherwise included in Transmission Reliability Margin or Capacity Benefit Margin.

$NITS_{NF}$ is the non-firm capacity set aside for Network Integration Transmission Service serving Load (i.e., secondary service), to include losses, and load growth not otherwise included in Transmission Reliability Margin or Capacity Benefit Margin.

GF_{NF} is the non-firm capacity set aside for grandfathered Transmission Service and contracts for energy and/or Transmission Service, where executed prior to the effective date of a Transmission Service Provider's Open Access Transmission Tariff or "safe harbor tariff."

ROR_{NF} is the non-firm capacity reserved for Roll-over rights for contracts granting Transmission Customers the right of first refusal to take or continue to take Transmission Service when the Transmission Customer's Transmission Service contract expires or is eligible for renewal.

PTP_{NF} is non-firm capacity reserved for confirmed Point-to-Point Transmission Service.

OS_{NF} is the non-firm capacity reserved for any other service(s), contract(s), or agreement(s) not specified above using non-firm transmission service as specified in the ATCID.

The three horizons in the ATC formula are:

Scheduling Horizon – The Scheduling Horizon is a specified number of hours extending past the current hour.

Operating Horizon – The Operating Horizon is a specified number of hours extending past the end of the Scheduling Horizon.

Planning Horizon – The Planning Horizon is a specified number of days extending past the end of the Operating Horizon.

The horizons and models are system settings configured by LADWP and OATI. They are changed from time to time to meet new system upgrades, business practices, contractual, or reliability requirements.

LADWP uses the ATC formula in R7 and R8 of the MOD-029-1a Rated System Path Methodology:

$$\mathbf{ATC_F = TTC - ETC_F - CBM - TRM + Postback_F + Counterflows_F}$$

ATC_F is the firm Available Transfer Capability for the ATC Path for that period.

TTC is the Total Transfer Capability of the ATC Path for that period.

ETC_F is the sum of existing firm commitments for the ATC Path during that period.

CBM is the Capacity Benefit Margin for the ATC Path during that period. LADWP currently does not utilize CBM.

TRM is the Transmission Reliability Margin for the ATC Path during that period. LADWP currently does not utilize TRM.

$Postbacks_F$ are changes to firm Available Transfer Capability due to a change in the use of Transmission Service for that period, as defined in Business Practices.

$Counterflows_F$ are adjustments to firm Available Transfer Capability as determined by the Transmission Service Provider and specified in their ATCID.

$$\mathbf{ATC_{NF} = TTC - ETC_F - ETC_{NF} - CBM_S - TRM_U + Postback_{NF} + Counterflows_{NF}}$$

ATC_{NF} is the non-firm Available Transfer Capability for the ATC Path for that period.

TTC is the Total Transfer Capability of the ATC Path for that period.

ETC_F is the sum of existing firm commitments for the ATC Path during that period.

ETC_{NF} is the sum of existing non-firm commitments for the ATC Path during that period.

CBM_S is the Capacity Benefit Margin for the ATC Path that has been scheduled during that period. LADWP currently does not utilize CBM_S.

TRM_U is the Transmission Reliability Margin for the ATC Path that has not been released for sale (unreleased) as non-firm capacity by the Transmission Service Provider during that period. LADWP currently does not utilize TRM_U.

$Postbacks_{NF}$ are changes to non-firm Available Transfer Capability due to a change in the use of Transmission Service for that period, as defined in Business Practices.

$Counterflows_{NF}$ are adjustments to non-firm Available Transfer Capability as determined by the Transmission Service Provider and specified in its ATCID.

Any forced outages which reduce the preschedule transmission capacity will be reflected in the TTC and ATC. Actual usage from the ETCs (tagged capacity) would be used in the calculations. Counterflow and Postbacks are also used in the ATC calculation, as discussed below.

Postbacks - Postbacks can be Firm or Non-Firm. Firm postbacks impact ATC when a reservation is redirected firm, or when a reservation is recalled. Postbacks impact ATC calculation in the Scheduling, Operating, and Planning horizons. Firm postback is a "credit" to a reservation in the ATC formula.

Non-Firm postbacks occur when there is unscheduled capacity from ETCs. Non-Firm postback also occurs when a redirected Non-Firm is relinquished by the customer, or when it is recalled. Non-Firm postbacks impact ATC calculation in the Scheduling, Operating, and Planning horizons.

Counterflow – Counterflows are adjustment to Non-Firm ATC on a segment. LADWP's counter-schedule methodology is referenced in section R3.2 of this document.

R3.2. Description of the manner in which the Transmission Service Provider will account for confirmed TSRs and counterflows in Firm and Non Firm ATC calculations:

Confirmed Reservations

NL, GF, PTP, and ROR type reservations impact Firm and Non firm ATC. Unscheduled NL, GF, PTP and ROR reservations are post back as Non Firm ATC

during the Scheduling Horizon.

OS type reservations only impact the Non Firm ATC. Unscheduled OS reservations are post back as Non Firm ATC during the Scheduling, Operating, and Planning Horizons.

LADWP models the Operating and Planning Horizon ATC formula to be similar with confirmed ETCs to impact ATC. The Operating and Planning Horizons do not post back unscheduled ETCs. The only exception is the post back of unscheduled OS type reservations in all three Horizons as discussed above.

Counterflow Methodology

LADWP implements counterflow by using Counter Segments. All LADWP posted paths are modeled as Counter Segments, unless contractual arrangement prohibits it. Adjustment to Non Firm ATC due to counterflow is modeled when a Firm or Non Firm tag is received. Only confirmed Firm or confirmed Non Firm tags create a counterflow of Non Firm MW capacity in the reverse direction. LADWP does not use expected interchange or internal flow to create counterflow. Counterflow segments affect the ATC calculation in the Scheduling Horizon only.

R3.3 The identity of the Transmission Operators and Transmission Service Providers from which the Transmission Service Provider receives data for use in calculating ATC.

APS – Arizona Public Service Company
BPA - Bonneville Power Administration
CISO - California Independent System Operator
NEVP – Nevada Power Company (New Vision Energy South)
PAC - PacifiCorp
SPP – Sierra Pacific Power (New Vision Energy North)
SRP – Salt River Project
WALC – Western Area Power Administration – Lower Colorado
WECC – Western Electricity Coordinating Council

R3.4 The identity of the Transmission Service Providers and Transmission Operators to which it provided data for use in calculating transfer capability.

APS – Arizona Public Service Company
BPA - Bonneville Power Administration

CISO - California Independent System Operator
NEVP – Nevada Power Company (New Vision Energy South)
PAC - PacifiCorp
SPP – Sierra Pacific Power (New Vision Energy North)
SRP – Salt River Project
WALC – Western Area Power Administration – Lower Colorado

R3.5 Description of allocation processes

1. Processes used to allocate Transfer Capability of LADWP posted Paths

LADWP utilized the Rated System Path methodology (MOD 29-1-1a) in the determination of Total Transfer Capability (TTC) on its transmission system.

The TTC posted is the LADWP ownership or contractual share of the line capacity. LADWP models its system in segments. A segment can be one or more lines in parallel. A posted path usually consists of one or more segments in series. For a posted path with multiple segments, the segment with the most limiting capacity will determine the TTC for the posted path.

2. *Transfer capability allocation processes among sub-paths within a larger ATC path*

LADWP's transfer capability allocation processes among sub-paths within a large ATC path are determined in the following ways:

i) Transmission line studies for some critical facilities' contingencies are conducted mostly by the operator of the path, or by the responsible entity assigned to conduct such studies.

ii) Contractual rights or agreements with other Transmission Owners.

iii) Transfer capability allocations provided by the Transmission Operator.

3. ***Transfer capability allocation processes among multiple owners***

i) The **Pacific DC Intertie** (Celilo to Sylmar) Path 65 rating from North to South was established by the Los Angeles Department of Water and Power, and the Bonneville Power Administration.

The rating for South to North was established by LADWP, and the Bonneville Power Administration, in conjunction with the California Power Pool.

The TTC for this segment is based on the shared entitlements between multiple owners.

ii) The **Intermountain DC** line (IPPDC) Path 27 has multiple owners. The Intermountain DC to Adelanto NE-SW rating was established by LADWP, the operating agent of the IPPDC. The SW-NE rating was established jointly by LADWP and PacifiCorp-Utah Power. The TTC for this segment is based on the shared entitlements between multiple owners.

iii) The Intermountain to Mona 230 kV line is part of the Northern Transmission System (NTS). Utah Munis, Southern Munis, and LADWP have entitlements on these lines. TTC of the line change seasonally based on the generation shares and contractual agreement between the Utah Munis and Intermountain Power Agency.

iv) The Intermountain to Gonder 230 kV line is part of the NTS. Utah Munis, Southern Munis, and LADWP have entitlements on these lines. TTC of the line change seasonally based on the generation shares and the contractual agreement between the Utah Munis and Intermountain Power Agency.

v) The Utah imports limit may further reduce the ATC on the NTS that can be imported from the Mona 230 kV line or the Gonder 230 kV line down the IPP DC line. The Utah imports limit changes seasonally and is monitored in real-time.

vi) The TTC allocation for multiple owners on the Marketplace to McCullough500 segment is based on the Mead Phoenix Project and

Mead Adelanto Project.

vii) SCE determines the TTC for the Eldorado500 – Mohave segment and allocates TTC to the Owners. CISO is the Transmission Operator of the segment.

viii) Arizona Public Service (APS) is the operator of the 500kV transmission system from the Navajo500 to the Moenkopi500. The TTC for this system is determined by APS.

ix) The McCullough230 – McCullough500 transmission segment consists of the three transformer banks. Each bank has ownership shares between LADWP, NEVP, or WALC. LADWP is the operator of this segment. The scheduling limit may be reduced with outage on the facility.

4. ***Paths with forward looking congestion management and seams coordination***

i) Sylmar to SCE (SP15)**,** Path 41, is limited by the flows on the three 220/230 kV transformer banks at Sylmar switching station. The path is jointly owned between LADWP and SCE. The path is not scheduled therefore there is no allocation table for the shares. LADWP and CAISO monitor and manage the flow of this path.

ii) The Victorville-Lugo 500kV line is owned independently from the midpoint of the line to the respective service areas of SCE (LUGO) and LADWP (Victorville). LADWP owns 100% of the line up to the midpoint. CISO manages the Victorville-Lugo line from the midpoint to LUGO.

5. ***Transfer capability allocation process for internal paths***

TTC for LADWP internal paths are mostly flow-limited, so the TTC is determined by thermal rating. LADWP uses power flow studies to calculate TTC for the Victorville to LASYSTEM segment and other internal paths.

R3.6 Description of how generation and transmission outages are considered in ATC calculations.

R3.6.1 The criteria used to determine when an outage that is in effect part of a day impacts a daily calculation.

An outage that affects part of a day will impact all hours during the day when the outage is in effect. The daily ATC will take this outage into account, and use the minimum TTC for those hours to calculate the daily ATC for that day.

R 3.6.2 The criteria used to determine when an outage that is in effect part of a month impacts a monthly calculation.

An outage that affects part of a month will impact the hours during those days when the outage is in effect. The monthly ATC will take this outage into account, and use the minimum TTC for those days to calculate the monthly ATC for that month.

R3.6.3 How outages from other Transmission Service Providers that cannot be mapped to the Transmission model used to calculate transfer capability are addressed.

The Outage Coordinator notifies Grid Operations of all system outage information which includes LADWP's new TTC value. The TTC is adjusted according to the outage information and uploaded to OASIS.

R7. LADWP calculates ATC with assumptions no more limiting than those used in the planning of operations for corresponding time periods, if a study has been performed for the time period.

The tools used to determine TTC are the GE PSLF power flow and stability programs using system modeling data obtained through WECC and power flow cases developed by WECC.

For study assumptions, LADWP uses power flow cases developed by WECC. All WECC power flow cases include the load level and generation levels representing forecasted load and generation for the study period to maximize the transfers for the path under study.

ATTACHMENT D

Methodology for Completing a System Impact Study and Form Agreement

1. Methodology

The Transmission Provider will perform studies, when necessary, that assess whether sufficient transfer capacity is available to provide a requested Transmission Service. Transmission Provider will exercise the same due diligence in performing a System Impact Study for a Transmission Customer as it would for its own use of the system. Transmission Provider will follow Attachment C to this Tariff, reliability principles, standards, and procedures of Western Electricity Coordinating Council (WECC) and the North American Electric Reliability Corporation (NERC) or their successors, in addition to Transmission Provider planning criteria.

In determining the level of capacity available for new Transmission Service requests, the Transmission Provider may exclude from capacity to be made available for new Transmission Service requests, that capacity needed to meet current and reasonably forecasted demand of Native Load Customers, customers with existing firm contracts and potential customers having pending valid requests for firm transmission under this Tariff.

Factors to be considered in determining the capacity availability on the transmission system will include but not be limited to:

(1) Steady state power flow study results;
(2) Stability study results;
(3) WECC, NERC, and APS' system design criteria;
(4) Transmission capacity of the existing system;
(5) Transmission capacity of the system after the request is added;
(6) Reliability requirements of APS and applicant; and
(7) Type and terms of the service requested.

2. Form of System Impact Study Agreement

Transmission Provider shall utilize the form of System Impact Study Agreement set forth below:

SYSTEM IMPACT STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20___ by and between **[insert Transmission Customer]**, existing under the laws of _____, sometimes hereinafter referred to as ("Eligible Customer") and the CITY OF LOS ANGELES acting by and through the DEPARTMENT OF WATER AND POWER, a department organized and existing under the Charter of the City of Los Angeles, a municipal corporation of the State of California ("Transmission Provider "). Eligible Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Eligible Customer has submitted a Completed Application (the "Application") for Firm Point-To-Point Transmission Service pursuant to Section 17.2 of the Open Access Transmission Tariff ("Tariff") for the Transmission Provider (as may be supplemented, modified, or replaced);

WHEREAS, Eligible Customer has requested **[insert]** MW of Firm Point-To-Point Transmission Service from **[insert]**, under Request No. **[insert]**, to commence on **[insert]** and end on **[insert]**.

WHEREAS, Eligible Customer has received notice from the Transmission Provider that a System Impact Study is necessary to accommodate the service requested in the Application; and

WHEREAS, the Transmission Provider must cause the preparation of a System Impact Study to assess the adequacy of the Transmission System and any other affected systems to accommodate the Application. (

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

ARTICLE 1. DEFINITIONS

1. The terms used in this Agreement with initial capitalization shall have the meanings specified in the Tariff.

ARTICLE 2. TERMINATION

2.1 Effective Date. This Agreement shall become effective on the date on which this Agreement is made and fully executed by the Parties ("Effective Date").

2.2 Term. This Agreement shall become effective as provided in Section 2.1 of this Agreement and shall continue in full force and effect until the earlier of (i) the Parties agree to mutually terminate this Agreement, (ii) One year after the Effective Date; or (iii) earlier termination as provided for under this Agreement.

2.3 Termination for Breach. A Party may terminate this Agreement upon thirty (30) days advance notice to the other Parties of a breach by a Party to this Agreement; provided that, the terminating Party notified the breaching Party in writing of the alleged breach and the breaching Party failed to cure such breach within fifteen (15) business days after the date of said notice and further provided that such terminating Party complies with any and all applicable laws, rules and regulations relating to such termination.

2.4 Termination or Withdrawal. Any request to terminate or withdraw from a study shall be deemed as a withdrawal of the Application in accordance with Section 19 of the Tariff.

2.5 Liability on Termination. Eligible Customer shall remain liable to the Transmission Provider for costs of the System Impact Study already incurred, costs of the System Impact Study that cannot be reasonably avoided and any costs associated with terminating the System Impact Study.

ARTICLE 3. STUDY

3.1 Study. The Transmission Provider shall cause a System Impact Study to be performed in accordance with the applicable provisions of the Tariff. The Transmission Provider shall rely on existing transmission planning studies as provided in the Tariff. All terms and conditions of the Tariff are incorporated herein by reference.

3.2 Scope. The scope of the System Impact Study shall be as set forth in the Tariff and shall be subject to the data and other information provided in the Application and any additional information, assumptions or methodology set forth in Attachment D of the Tariff. Eligible Customer shall review the data and information that it has provided to the Transmission Provider and provide updated data and information as necessary. The Transmission Provider will advise Eligible Customer of additional information as may be

reasonably deemed necessary by the Transmission Provider to complete the System Impact Study and Eligible Customer shall promptly submit the additional information. Such additional information shall be obtained only if required by Good Utility Practice and shall be subject to the consent of Eligible Customer, not to be unreasonably withheld, conditional or delayed.

3.3 Report. The final report of the System Impact Study shall identify the following information:

3.3.1 Any system constraints due to thermal overload, voltage limit violations, or instability or inadequately damped response to system disturbances resulting from the service requested by the Application.

3.3.2 A preliminary estimate of the scope of any Direct Assignment Facilities or Network Upgrades required to accommodate the Application.

3.3.3 Together with a copy of the final report, the related work papers shall be made available to the Eligible Customer.

3.4 Coordination. The Transmission Provider will coordinate the System Impact Study with any affected Transmission Provider, and with any Regional Transmission Organizations ("RTO") or Independent System Organization ("ISO"). If the required study coordination effort increases the expected study scope, study costs or delays the expected completion date, the Transmission Provider will inform the Eligible Customer. Eligible Customer acknowledges and agrees that Transmission Provider will provide all Confidential Information and/or study data that is reasonably needed by any Transmission Provider, RTO or ISO participating in the System Impact Study and to other parties as may be required by the Tariff or applicable federal, state or local law, rule or regulation.

3.5 Estimated Time. The estimated time for completion of the System Impact Study is sixty (60) days. The Transmission Provider shall use due diligence to complete the System Impact Study within the estimated time.

3.6 Representative. Eligible Customer shall appoint and make available to the Transmission Provider a designated and authorized representative through which the Transmission Provider can coordinate work pertaining to the System Impact Study.

ARTICLE 4. COSTS AND PAYMENT

4.1 Estimated Cost. The estimated cost for performance of the System Impact Study is [[insert dollar amount]]. The estimated cost is the Transmission Provider's good faith estimate of the costs to perform the System Impact Study. The estimated cost does not include any costs incurred by other Transmission Providers, RTOs or ISOs.

4.2 Reimbursement. Eligible Customer shall reimburse the Transmission Provider in full for performing the System Impact Study. Eligible Customer shall also reimburse any Transmission Provider, RTO or ISO in full for performing any work related to the System Impact Study, either directly or through payment to the Transmission Provider. These reimbursements shall include payment for all actual costs of the System Impact Study. As provided in the Tariff, Eligible Customer shall not be charged for existing transmission planning studies, but will be responsible for charges associated with modifications to the existing transmission planning studies that are reasonable necessary to evaluate the impact of the Application.

4.3 Deposit and Payment. The Eligible Customer shall submit with this Impact Study Agreement a deposit in the amount of $50,000.00 (the "Deposit"). The Deposit will be applied toward the costs of the System Impact Study to be reimbursed by the Eligible Customer pursuant to Paragraph 4.2 of this Agreement. Eligible Customer shall prepay the costs of any study, analysis and review work performed by or on behalf of the Transmission Provider or, as applicable, any affected Transmission Provider, RTO or ISO, to the extent such costs exceed the Deposit. The Transmission Provider shall refund to the Eligible Customer any portion of the Deposit that exceeds the amount of the costs to be reimbursed pursuant to Paragraph 4.2. The Transmission Provider shall invoice the Eligible Customer, from time to time, for the amount(s) by which costs to be reimbursed pursuant to Paragraph 4.2 exceed the amount of the Deposit and any prepayments. The Eligible Customer shall pay any such invoice within thirty (30) days of receipt.

ARTICLE 5. MISCELLANEOUS PROVISIONS

5.1 Indemnification. The Eligible Customer shall at all times indemnify, defend, and hold harmless the Transmission Provider, its officials (elected or appointed), Boards, officers, managers, agents, employees, assigns and successors in interest, from and against any and all suits, causes of action, claims, charges, damages, demands, judgments, civil fines, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and costs of experts and consultants), or losses of any kind or nature whatsoever including, without limitation, business interruption, death, bodily injury or personal injury to any person, damage or destruction or loss of use to or of any

property (financial, physical, or intellectual) by or to third parties (collectively "Losses") arising by reason of or incident to or directly or indirectly related to Transmission Provider performing or causing to be performed the System Impact Study in whole or in part under this Agreement on behalf of the Eligible Customer, except in cases of gross negligence or intentional wrongdoing by the Transmission Provider.

5.2 Accuracy of Information. The Eligible Customer represents and warrants that, to the best of its knowledge and in accordance with Good Utility Practice, the information that it provides to the Transmission Provider in connection with this System Impact Study Agreement and the System Impact Study is accurate and complete. The Eligible Customer acknowledges and accepts that it has a continuing obligation under this System Impact Study Agreement to promptly provide the Transmission Provider with any additional information required to update the information previously provided within no less than forty-eight (48) hours.

5.3 Disclaimer of Warranty; Limitation of Liability and Release. In performing or causing the System Impact Study to be performed, the Transmission Provider may rely on the information provided by the Eligible Customer and third parties, which Transmission Provider may not have any control over the veracity or accuracy of such information. For data, information and other studies submitted by the Eligible Customer or obtained from third parties or industry sources,

TRANSMISSION PROVIDER HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, WHETHER ARISING BY OPERATION OF LAW, COURSE OF PERFORMANCE OR DEALING, CUSTOM, USAGE IN THE ELECTRIC INDUSTRY, OR OTHERWISE, INCLUDING WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. FURTHERMORE, TRANSMISSION PROVIDER SHALL NOT BE LIABLE TO ELIGIBLE CUSTOMER UNDER ANY CIRCUMSTANCES, UNDER ANY THEORY OF LIABILITY AT LAW OR IN EQUITY, WHETHER SUCH LIABILITY IS KNOWN OR UNKNOWN AT THE TIME OF SIGNING THIS AGREEMENT, OR ANY TIME THEREAFTER, FOR ANY DEATH, BODILY INJURY, AND LOSS OF USE OR DAMAGE OR DESTRUCTION OF ANY PROPERTY OR ANY BUSINESS INTERRUPTION, TO A THIRD PARTY OR TO ELIGIBLE CUSTOMER.

ELIGIBLE CUSTOMER DOES SO HEREBY ACKNOWLEDGE THAT IT HAS READ AND COMPREHENDED THE FOLLOWING PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 (OR ITS SUCCESSOR STATUTE) WHICH PROVIDES:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, ELIGIBLE CUSTOMER HEREBY EXPRESSLY WAIVES ANY RIGHTS IT MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMOM LAW PRINCIPLES OF SIMILAR EFFECT.

Upon execution of this System Impact Study Agreement, the Eligible Customer acknowledges and accepts that it has not relied on any representations or warranties not specifically set forth herein.

5.4 Representations and Warranties. The Eligible Customer represents and warrants that it is free to enter into this Agreement and to perform each of the terms and covenants of it. The Eligible Customer represents and warrants that it has undertaken or will cooperate with Transmission Provider in undertaking any environmental review required for its proposed project, including but not limited to the California Environmental Quality Act (CEQA) as amended and stated within Cal. Pub. Res. Code §§ 21000-21178 or any successor statute; provided however, Transmission Provider's undertaking and completion of the System Impact Study, or issuance of a system impact study report, shall neither be construed as a guarantee of an agreement nor an approval of the proposed project. The Eligible Customer further represents and warrants it is not restricted or prohibited contractually or otherwise, from entering into and performing this agreement, and that the execution and performance of this Agreement by Eligible Customer will not constitute a violation or breach of any other agreement between it and any other person or entity.

5.5 Force Majeure. If a Force Majeure Event prevents the Transmission Provider from fulfilling any obligations under this System Impact Study Agreement, Transmission Provider shall promptly notify the Eligible Customer in writing, and shall suspend or modify its performance under said agreement until the Force Majeure Event, to the extent that the effect of the Force Majeure Event cannot be mitigated by use of Good Utility Practice or commercially reasonable efforts. For purposes of this System Impact Study Agreement, a "Force Majeure Event" means any event or circumstance caused by reason of Force Majeure that prevents or delays Transmission Provider's performance under this Agreement which (a) is beyond the reasonable control of the Transmission Provider and

(b) was unable to be prevented or provided against by exercising Good Utility Practice or commercially reasonable efforts. In the event that the Transmission Provider suspended its performance, it shall resume its obligations under this System Impact Study Agreement as soon as reasonably possible upon resolution of the Force Majeure Event. In the event that the Parties mutually agree to modify Transmission Provider's performance as a result of the Force Majeure Event, this System Impact Study Agreement shall be modified in accordance with Section 5.12 herein.

5.6 Assignment. This System Impact Study Agreement shall not be assigned, conveyed or transferred to any third party unless the provisions of Section 4.3 of the LGIP have been satisfied and Transmission Provider consents to such assignment, conveyance or transfer in writing.

5.7 Governing Law. This Agreement was made and entered into in the City of Los Angeles and shall be governed by, interpreted and enforced in accordance with the laws of the State of California and the City of Los Angeles, without regard to conflict of law principles.

5.8 Venue. All litigation arising out of, or relating to this System Impact Study Agreement, shall be brought in a court of competent jurisdiction located in Los Angeles County, in the State of California. The Parties irrevocably agree to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of *forum non conveniens.*

5.9 Waivers. Any waiver, which such waiver must be in writing, at any time by any Party of its rights with respect to a default under this System Impact Study Agreement, or with respect to any other matter arising in connection with said agreement, shall not be deemed a waiver with respect to any subsequent default or other mater arising in connection therewith. Any delay, short of the statutory period of limitation in asserting or enforcing any right, shall not be deemed a waiver of such right.

5.10 Binding Effect. This System Impact Study Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors or assigns, subject to Sections 4.3 of the LGIP.

5.11 Attorney Fees and Costs. Both Parties agree that in any action to enforce the terms of this Agreement that each Party shall be responsible for its own attorney fees and costs.

5.12 Entire Agreement. This System Impact Study Agreement contains the entire agreement and understanding between the Parties, their agents, and employees as to the

subject matter herein. This Agreement may be amended only by a written document signed by both Parties.

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.

DEPARTMENT OF WATER AND POWER OF
THE CITY OF LOS ANGELES

By: _____

Title: _____

Date: _____

[INSERT TRANSMISSION CUSTOMER]

By: _____

Title: _____

Date: _____

ATTACHMENT E

Index of Point-To-Point Transmission Service Customers

A list of LADWP Point-To-Point Transmission Service Customers can be found when you log on to the OATI OASIS WestTrans website located at:

https://www.oasis.oati.com.

ATTACHMENT F

Service Agreement For

Network Integration Transmission Service

Reserved

ATTACHMENT G

Network Operating Agreement

Reserved

ATTACHMENT H

Annual Transmission Revenue Requirement
For Network Integration Transmission Service

Reserved

ATTACHMENT I

Index Of Network Integration Transmission Service Customers

Reserved

ATTACHMENT J

Procedures for Addressing Parallel Flows

In a June 17, 2009 filing, the North American Electric Reliability Corporation's ("NERC"), consistent with Section 215 of the Federal Power Act and as directed by the Commission, requested Commission approval of revision to the Qualified Transfer Path Unscheduled Flow (USF) Relief for the Western Electricity Coordinating Council ("WECC"), Reliability Standard IRO-006-WECC-1 on March 26, 2007, and approved by the Commission on June 8, 2007. The revised Reliability Standard approved by the Commission on March 17, 2011 is intended to mitigate transmission overloads due to unscheduled flow on a transfer path designated by WECC as being qualified for unscheduled flow mitigation, and any subsequent revisions thereto, are hereby incorporated and made part of this Tariff. The current WECC Unscheduled Flow Reduction Procedure can be accessed via the NERC website at:

http://www.nerc.com/files/IRO-006-WECC-1.pdf

ATTACHMENT K

Transmission Planning Process

January 17, 2016

Los Angeles Department of Water and Power
Attachment K
Transmission Planning Process

I. Overview of the LADWP Transmission Planning Process 3
II. LADWP Local Transmission Planning 4
A. Local Planning Process 4
1. Open Participation 4
2. Purpose of Planning Studies 4
3. Types of Local Planning Studies 4
4. Local Transmission Planning Cycle 5
5. Exchange of Data, Confidential Information, and Use of Customer Data 6
6. Customer's Responsibility to Provide Data 7
7. Procedures for Requesting a Local Transmission Planning Study. 8
8. LADWP Process for Evaluating Local Study Requests. 9
9. Local Economic Planning Studies. 13
10. Local Public Policy Study Requests. 14
11. Cost Responsibility for Local Transmission Planning Studies Performed by LADWP 15
B. Annual Local Transmission Planning Open Public Meetings 16
1. Purpose 16
2. Public Meeting Process 16
3. Stakeholder Comments 17
4. Meeting Notices and Communication 17
5. Unresolved Issues 18
III. Regional Transmission Planning 18
A. Overview 19
B. Roles in Regional Planning Process 22
C Submission of Data by Customers, Transmission Developers and Transmission Owners 27
D Transmission Developer Qualification Criteria 33
E. Overview of Regional Planning Methodology and Evaluation Process 40
F. WestConnect Reliability Planning Process 41
G. WestConnect Economic Planning Process 42

Los Angeles Department of Water and Power
Attachment K
Transmission Planning Process

H. WestConnect Public Policy Planning Process 43
I. Consideration of Non-Transmission Alternatives 47
J. Approval of the WestConnect Regional Plan 47
K. Reevaluation of the WestConnect Regional Plan 50
L. Confidential or Proprietary Information 52
IV. Coordination at the Western Interconnection Level 53
A. Procedures for Inter-Regional Planning Project Review 53
V. Recovery of Planning Costs 55
VI. Dispute Resolution 55
VII. Cost Allocation 56
A. Allocation of Costs for Local Projects 56
1. Solicitation of Interest 56
2. Allocation of Costs 56
B. Allocation of Costs for Regional Transmission Planning Projects 57
VIII. Interregional Planning 74
A. Definitions 75
A. Annual Interregional Information Exchange 76
B. Annual Interregional Coordination Meeting 77
C. ITP Joint Evaluation Process 78
D. Interregional Cost Allocation Process 79
E. Application of Regional Cost Allocation Methodology to Selected ITP 81

Los Angeles Department of Water and Power
Attachment K
Transmission Planning Process

I. Overview of the LADWP Transmission Planning Process

The City of Los Angeles (City) is a municipal corporation and charter city organized under the provisions of the California Constitution. The Department of Water and Power (LADWP) is a proprietary department of the City of Los Angeles, pursuant to the Los Angeles City Charter, and a "non-public utility" under Section 201(f) of the Federal Power Act.

LADWP is a vertically integrated utility, owning and operating the majority of its generation, transmission and distribution systems. The LADWP service area encompasses approximately 473 square miles and is populated by approximately 4.0 million residents of the City and Owens Valley, and LADWP serves approximately 1.4 million power customers in the City and 5,000 in the Owens Valley, making LADWP the nation's largest municipal electric utility.

As a non-public utility transmission provider, LADWP voluntarily maintains an Open Access Transmission Tariff (OATT) and Open Access Same-time Information System (OASIS). Pursuant to its membership in WestConnect,[1] LADWP undertakes an annual local transmission planning process and also coordinates its transmission planning process with other transmission providers and stakeholders in the Western Interconnection through subregional, regional and inter-regional processes. LADWP is also a member of the Western Electricity Coordinating Council (WECC) and participates in the WECC transmission planning studies.

This Attachment K describes the local, regional, and interregional transmission planning and cost allocation processes used by LADWP, which are consistent with FERC's standards for reciprocity and comparability expressed by the Federal Energy Regulatory Commission (FERC) in Order Nos. 888, 890, and 1000.

[1] WestConnect was formed under a memorandum of understanding (MOU) voluntarily entered into by transmission providing electric utilities in the Western Interconnection. The purposes of WestConnect are to investigate the feasibility of wholesale market enhancements, work cooperatively with other Western Interconnection organizations and market shareholders and address seams issues in the appropriate forums. WestConnect has initiated an effort to facilitate and coordinate regional transmission planning across the WestConnect footprint as an Order No. 1000 transmission planning region, and to participate in inter-regional transmission planning processes in the Western Interconnection.

Los Angeles Department of Water and Power
Attachment K
Transmission Planning Process

II. LADWP Local Transmission Planning

A. Local Planning Process

1. Open Participation

Participation in LADWP's local planning process is open to all interested parties, including but not limited to, all transmission service customers, balancing authority area services customers, interconnecting neighboring transmission providers, state agencies, regulatory agencies, and other stakeholders.

2. Purpose of Planning Studies

LADWP's local transmission planning process is designed to meet the following needs:

a. Provide adequate transmission for resources in order to reliably and economically serve, and transmission service to third parties from its available transfer capability.

b. Support LADWP's transmission and distribution systems.

c. Coordinate new interconnections with other transmission systems.

d. Accommodate requests for long-term transmission access.

3. Types of Local Planning Studies

a. Local Reliability Studies. LADWP will conduct reliability studies to ensure that all NERC, WECC, and local reliability standards are met for each year of the ten-year planning horizon. These reliability studies will be coordinated with the other regional transmission planning organizations through the Southwest Area Transmission (SWAT) group and WECC study efforts.

b. Local Economic Studies. Economic planning studies are performed to identify significant and recurring congestion on the transmission system and/or address the integration of new resources and loads. Such studies may analyze any, or all, of the following: (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, and (iv) the costs associated with

relieving congestion through system enhancements (or other means), and, as appropriate, (v) the economic impacts of integrating new resources and loads. As described below in Section 9, LADWP may perform, or cause to be performed, economic planning studies at the request of any transmission customer or stakeholder, and may utilize the WECC public data bases. Local economic planning studies performed by LADWP or its contractors that are initiated by a stakeholder request will be borne by the requester. The customer shall pay the full estimated cost prior to LADWP beginning the study, and LADWP shall either refund any over-collection or bill any under-collection after completion of the study.

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 the LADWP Board of Water and Power Commissioners and/or the City Council. Public Policy Requirements, as applicable, are incorporated into the load forecasts and/or are modeled in the local planning studies. Proposed public policies (*i.e.*, a public policy proposed before a governmental authority but not yet enacted) may be studied if time and resources permit.

4. Local Transmission Planning Cycle

LADWP conducts its local transmission planning on a calendar year cycle for a ten-year planning horizon. LADWP updates its ten-year plan annually. To the extent possible, LADWP coordinates the timing of its local planning study cycle with the WestConnect and WECC study processes.

Stakeholders may participate in identifying local transmission needs by contacting LADWP' Point of Contact described in Section II.A.7.a below. Stakeholders also have the opportunity to offer input or make proposals at LADWP's Q2 Meeting and Q4 Meeting, which are open public planning meetings held pursuant to Section II.B of this Attachment K. Through these two avenues for communication – *i.e.*, email communications with the LADWP Point of Contact and/or participation at the open public planning meeting(s) – stakeholders may participate in the evaluation of solutions to identified local transmission needs that may be selected by LADWP for further evaluation. Stakeholders may provide comments on proposed

solutions or may submit other proposed solutions to local transmission needs.

5. Exchange of Data, Confidential Information, and Use of Customer Data

a. LADWP exchanges information on transmission plans and related data on a regular basis in accordance with the schedule for data submittal established by WECC, WestConnect and other transmission planning groups. LADWP obtains data used for its local transmission planning studies from the WECC data bases for reliability studies. Economic studies performed by LADWP for local transmission projects will rely on LADWP studies using security-constrained production cost analysis software (*e.g.*, PROMOD, GridView, Plexos, or equivalent).

b. Confidential, or Proprietary and Critical Energy Infrastructure Information (CEII). LADWP's transmission planning studies include base case data that contain WECC proprietary data, and/or confidential information and/or critical energy infrastructure information (CEII). A stakeholder must hold membership in, or execute a non-disclosure agreement with, WECC in order to obtain base case from WECC. requested base case data from LADWP. (See www.wecc.biz.) Requests for detailed base case data must be submitted to WECC in accordance with the WECC procedures. Additionally, LADWP makes refinements to the WECC base case that may be LADWP proprietary data, confidential information and/or CEII. For stakeholders that execute the appropriate non-disclosure agreements and clearances consistent with the WECC procedures, LADWP will provide stakeholders the criteria, and assumptions and refinements LADWP makes to the WECC base case, including the models used in its local transmission plan, once the stakeholder executes the appropriate non-disclosure agreements and clearances consistent with the WECC procedures and executes a non-disclosure agreement with LADWP (see LADWP Attachment K Hyperlinks List).Restrictions on Access to Information for Competitive Duty Personnel. People involved in marketing functions or other wholesale power sales and marketing activities may be restricted from access to certain local transmission planning data, and/or may be required to execute additional non-disclosure agreements.

c. As a public entity, LADWP is subject to the California Public Records Act, California Government Code §§6250 *through* 6276.4, and the Ralph M. Brown Act, California Government Code 54950 et sec.

6. Customer's Responsibility to Provide Data

a Deadline for Submission of Data by Customers. To maximize the effectiveness of the LADWP planning process, each Transmission Customer shall provide LADWP with its ten-year along with supporting documentation. This information, including the data set forth in Section 6.b below, must be submitted by February 1 of each year in order to be included in the planning process for the annual local transmission plan.

b. Data to be Submitted. To the maximum extent practical and consistent with protection of proprietary information, data submitted by customers shall include the following information for the ten-year planning horizon:

- Generators – planned additions or upgrades (including status and expected in-service dates), planned retirements and any environmental restrictions.
- Demand response resources – existing and planned demand response resources and their impacts on demand and peak demand.
- Point-to-Point transmission customers – projections of need for service, including transmission capacity, duration of service and points of receipt and delivery.
- Non-Transmission Alternatives (NTAs) - including, but not limited to, technologies that defer or possibly eliminate the need for new and/or upgraded transmission lines. Such alternatives include, but are not limited to: Distributed Generation resources and Demand Side Management (load management), such as Energy Efficiency and Demand Response (*e.g.*, interruptible load) 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 grid needs driven by Public Policy Requirements.

- Balancing Authority Area Services customers. Customers taking service from LADWP under a Balancing Authority Area Services Agreement (BAASA) shall provide information as required by the BAASA.

c. Notification of Material Changes to Customer Data. Each customer is responsible for submitting timely written notice to LADWP of material changes in any of the information previously provided related to the customer's load, resources (including NTAs), or other aspects of its facilities or operations which may, directly or indirectly, affect LADWP's ability to provide service, within 10 business days of such event.

7. Procedures for Requesting a Local Transmission Planning Study.

Any LADWP transmission customer or other interested stakeholder, including those seeking transmission solutions, generation solutions and solutions utilizing NTAs may submit a study request to LADWP, and economic planning study requests shall also be submitted directly to LADWP.

a. LADWP Point of Contact. LADWP shall identify a Point of Contact and email address on its website and/or OASIS [INSERT HYPERLINK] to respond to customer/stakeholder questions regarding modeling, criteria, assumptions and data underlying system plans. All requests submitted to LADWP should be electronically forwarded to LADWP by email to the Point of Contact.

b. Deadline for Local Study Requests. To be considered for inclusion in the LADWP local transmission plan, the local study request must be submitted no later than February 1 of the calendar year.

c. Internet Posting of Local Study Requests. Subject to confidentiality requirements, requests for LADWP local planning studies and responses to such requests shall be posted on the LADWP website and/or OASIS [INSERT HYPERLINK].

d. Consideration of Requests. LADWP will review timely submitted local study requests with input from stakeholders in a public transmission meeting. Based in part on the number and type of requests received, LADWP will consider:

i. Whether the study is a local priority request and determine if the study should be performed by LADWP or referred to a more appropriate transmission provider, or

ii. Whether the study request encompasses a region, in which case LADWP will transfer the request to WestConnect for consideration as a regional priority request at WestConnect's stakeholder meeting; or

iii. Whether the study request encompasses the Western Interconnection, in which case LADWP will transfer the request to WECC for consideration in the WECC transmission planning process.

e. Timeline for Performing Local Studies Requested by Stakeholders. After review of requested local studies with stakeholders, LADWP will establish a study plan with timelines for local studies that are performed by LADWP on a case-by-case basis. The study plan for each local study performed by LADWP will be based on LADWP's evaluation of the nature of the study and its complexity. The timelines for completion of such studies may extend beyond the annual study planning cycle.

8. LADWP Process for Evaluating Local Study Requests.

a. LADWP Local Study Criteria and Guidelines. LADWP plans its transmission system in accordance with the NERC and WECC Planning Reliability Standards, along with LADWP's own design, planning and operating criteria which it utilizes for all customers on a comparable and non-discriminatory basis. The engineering criteria utilized by LADWP are based on the WECC standards; the economic criteria are decided upon for each study by individual participants when determining the value of a suggested project.

b. Basis for Evaluation of LADWP and Stakeholder Alternative Solutions. LADWP'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, including transmission solutions, generation solutions and solutions utilizing demand response resources, whether presented by LADWP 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. Alternative

solutions will be evaluated against one another on the basis of the following criteria to select the preferred solution or combination of solutions:

i. Ability to practically fulfill the identified need;

ii. Ability to meet applicable reliability criteria or NERC Planning Standards issues;

iii. Technical, operational and financial feasibility;

iv. Operational benefits/constraints or issues;

v. 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

vi. Where applicable, consistency with state or local integrated resource planning requirements, or regulatory requirements, including cost recovery through rates.

c. After seeking the input of stakeholders, LADWP shall determine in accordance with this Section II of Attachment K whether to select a particular local solution in its local transmission plan. LADWP will post its local transmission plan, which will include any such solutions selected.

d. LADWP is not required to identify any particular set of local transmission needs, but if LADWP chooses not to identify any stakeholder-suggested local transmission need as a transmission need for which solutions will be evaluated in the local transmission planning process, LADWP will post on its website and/or OASIS an explanation of why the suggested transmission need will not be evaluated. Such postings will include both an explanation of those local transmission needs that have been identified for evaluation for potential solutions in the local transmission planning process, and an explanation why other stakeholder-suggested transmission needs were not identified for further evaluation. After considering the input of stakeholders, LADWP shall determine whether

to move forward with the identification of a local solution to a particular local need.

e. Local Transmission Planning Study Request Determined to be a Local Priority Request. If LADWP determines, using input from stakeholders obtained through the LADWP open public transmission meeting, that the local planning study request is a local priority study – *e.g.* the study request does not affect interconnected transmission systems and the remedies are confined to and may be resolved within the local LADWP Balancing Authority Area – then LADWP may conduct the study internally and coordinate assumptions and results with its customers, stakeholders and interconnected neighbors. Criteria used to determine whether a local planning study request is a priority request include the following:

i. What portion of the LADWP transmission system will be under consideration in the study?

ii. Does the request raise fundamental design issues of interest to multiple parties?

iii. Does the request raise public policy issues of national, regional or state interest, *e.g.*, with respect to renewable power, and location of both conventional and renewable resources?

iv. Can the objectives of the study be met by other studies?

v. Will the study provide information of broad value to customers, regulators, transmission providers and other interested stakeholders?

vi. Can similar requests for studies or scenarios be represented generically if the projects are generally electrically equivalent?

vii. Can requests be aggregated into energy or load aggregation zones with generic transmission expansion between?

viii. Does the study request require the use of production cost simulation or can it be better addressed through technical studies, *i.e.*, power flow and stability analysis?

Los Angeles Department of Water and Power
Attachment K
Transmission Planning Process

f. Lower Priority Local Study Requests. If LADWP determines, after reviewing through an open stakeholder process, that the request for a local planning study is a lower priority, the requester may request that LADWP assist the requester in having a third party perform the local planning analysis at the requester's expense.

g. Clustering Local Priority Studies. LADWP may determine that any number of requesters' local planning study requests should be studied together or a requester may request that LADWP study its request together with other requests. LADWP will combine such studies as it deems appropriate. If local study requests are combined, the study costs will be shared among the requesters. LADWP will consider the following criteria to determine whether to cluster requested priority local studies, both on its own volition and in response to a Requester's request:

i. LADWP-Proposed Clusters: In the event that LADWP proposes to cluster certain priority local planning studies on any reasonable grounds, including, without limitation, upon its determination that the proposed cluster studies are sufficiently similar, from an electrical perspective, to be feasibly and meaningfully studied as a group, it shall provide notices to each requester that it proposes to include in the study. Each requester shall be provided the opportunity to opt out of the cluster within ten (10) days of notice from LADWP.

ii. Requester-Proposed Clusters: If a requester wishes to propose a cluster study, prior to submitting an local planning study cluster request to LADWP, the requester must contact all of the other Requesters whose requests it proposes to cluster and obtain their written consent that they are willing to have their request clustered with other identified requests. LADWP will reasonably determine whether the local 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. LADWP 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 that the proposed clustering impairs administration or timely processing of the economic study process. LADWP 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.

h. Posting of Local Transmission Needs. LADWP will maintain on its website and/or OASIS (i) a list of all local transmission needs identified that are included in the studies for the current local planning cycle; and (ii) an explanation of why other suggested transmission needs will not be evaluated.

i. Communication of LADWP Transmission Study Plans and Local Planning Results. LADWP transmission study plans and planning results will be communicated through presentations at the Q2 Meeting and Q4 Meeting described in Section II.B below and made available upon request.

9. Local Economic Planning Studies.

a. Deadline for Local Economic Planning Study Requests. To be considered for inclusion in the LADWP local transmission plan, the local economic planning study request must be submitted no later than February 1 of the calendar year.

b. For timely submitted economic planning study requests, submitted no later than February 1 and in accordance with this Attachment K, LADWP will review the request with input from stakeholders at the Q2 Meeting, the local public planning meeting described in Section II.B.

c. Based in part on the number and type of requests received, LADWP will consider whether the study is a local priority request and determine if the study should be performed by LADWP or referred to a more appropriate transmission provider, or whether the study request encompasses a sub-region or region, in which case LADWP will transfer the request to WECC.

d The procedures for evaluating local economic planning studies are the same as those procedures used to evaluate any other project proposed in the local planning process, as described in Section 8 above.

e. For lower priority local economic planning studies, LADWP may at its discretion perform the economic planning studies itself, or utilize a third-party to perform the local economic planning study with a security-constrained production cost analysis case (*e.g.*, PROMOD, GridView, Plexos, or equivalent) provided by LADWP. Access to data used in security-constrained production cost analysis may require execution of appropriate non-disclosure agreements (NDA).

10. Local Public Policy Study Requests.

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, as described in Section 8 above.

a. If a stakeholder identifies a local transmission need driven by a Public Policy Requirement, LADWP will review the identified local transmission need with input from stakeholders in a public transmission meeting. Based in part on the number and type of requests received, LADWP will consider whether:

(i) The suggested transmission need is local and determine if the study should be performed by LADWP, or

(ii) Whether the facilities associated with the identified transmission need are regional, in which case LADWP will transfer the request to WestConnect for consideration at WestConnect's stakeholder meeting or

(iii) Whether the facilities associated with the identified transmission need are West-wide, in which case LADWP will transfer the request to WECC for consideration at WECC stakeholder meeting.

b. No single factor shall necessarily be determinative in selecting among the potential transmission needs driven by Public Policy Requirements. In selecting those local transmission needs driven by Public Policy Requirements that will be evaluated for solutions in the current planning

cycle, LADWP will 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).*]

11. Cost Responsibility for Local Transmission Planning Studies Performed by LADWP

a. Local transmission planning studies performed by LADWP or its contractors that are initiated by LADWP as part of its annual ten-year local transmission study process will be borne by LADWP and recovered in rates.

b. Local transmission planning studies performed by LADWP or its contractors that are initiated by a stakeholder request will be borne by the requester. The customer shall pay the full estimated cost prior to LADWP beginning the study, and LADWP shall either refund any over-collection or bill any under-collection after completion of the study.

Los Angeles Department of Water and Power
Attachment K
Transmission Planning Process

B. Annual Local Transmission Planning Open Public Meetings

1. Purpose

Each year LADWP will conduct two local transmission planning open public meetings that will allow stakeholders to participate in LADWP's local transmission planning process. The meetings will be open to all stakeholders and will provide two open, transparent forums that will serve to:

a. Promote discussion of all aspects of the LADWP transmission planning activities, including, but not limited to, methodology, study inputs, study results, and alternative solutions.

b. Provide a forum for LADWP to better understand the specific electric transmission interests of all stakeholders.

c. Provide a meaningful opportunity for stakeholders to engage in planning along with LADWP by creating opportunities for stakeholders to review and comment on the criteria, assumptions, and models used by LADWP in the local transmission planning activities prior to finalization of the LADWP local transmission plan.

2. Public Meeting Process

a. **Q2 Meeting**: In the second calendar quarter of the year, LADWP will host a local transmission planning open public meeting (Q2 Meeting), at which LADWP shall explain and discuss:

- The status of any unresolved issues from the prior local transmission planning process cycle;
- the base cases it intends to use for its local transmission planning study;
- the assumptions it plans to use for the local transmission planning study;
- the study plan (i.e., method for analysis) to guide the local transmission planning study;
- the local needs identified on the system to be considered in the study;
- the alternatives under consideration to be evaluated in the study; and

- the local transmission planning studies that were timely requested by stakeholders in accordance with Section 7.

b. **Q4 Meeting**: In the fourth calendar quarter of the year, LADWP will host a local transmission planning open public meeting (Q4 Meeting), at which LADWP shall:

- provide an overview of the draft local transmission planning study;
- review the assumptions it used for the local transmission planning study;
- review of the study plan (i.e., method for analysis) to guide the local transmission planning study;
- review of local needs identified on the system that were considered in the study;
- review the alternatives considered in the study;
- review of the local transmission planning studies requested by stakeholders; and
- provide updates on its planned local transmission projects and non-transmission alternatives; and
- explain and discuss the preliminary draft local transmission planning study results, including results of studies requested by stakeholders that were performed by LADWP.

3. Stakeholder Comments

Stakeholders can comment and provide input to LADWP during the local transmission planning process.

4. Meeting Notices and Communication

a. Meeting notices, including date, time, place and meeting agenda, will be posted on the LADWP website and/or OASIS at: http://www.oasis.oati.com/LDWP. LADWP will establish and post its public planning meetings schedule at least once annually, and at least two weeks prior to meetings.

b. The agenda for each LADWP's public local transmission planning meeting will be sufficiently detailed, posted on the LADWP website and/or OASIS at http://www.oasis.oati.com/LDWP and be circulated to an email distribution list in advance of the meetings in order to allow advance notice to customers and stakeholders.

c. All existing LADWP transmission and other wholesale customers will be included on LADWP's distribution list and actively notified via email of local transmission planning open public meeting(s). Any other stakeholder wanting to be included on LADWP's email distribution list should submit its information to the LADWP Point of Contact identified on the LADWP website at: [INSERT HYPERLINK].

d. LADWP will post all meeting-related notes, documents and drafts or final reports on its website and/or OASIS at: http://www.oasis.oati.com/LDWP.

e. In order to permit all stakeholders access to the information posted on the website or OASIS listed in Section II, B.3.d, only public information will be shared, and in accordance with state and local laws, only public business shall be conducted in public local transmission planning meeting(s).

5. Unresolved Issues

The status of any stakeholder issues that were not resolved during the local transmission planning process will be addressed by LADWP in the following local transmission planning process cycle (Q2 Meeting).

III. Regional Transmission Planning

This Section of Attachment K to the LADWP OATT implements the requirements for regional planning set forth in Federal Energy Regulatory Commission Order Nos. 890 and 1000. LADWP engages in regional planning and coordination within the WestConnect regional process (Regional Planning Process), which also includes LADWP's participation in interregional planning in the United States portion of the Western Interconnection through its participation in WestConnect.

The purpose of the 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, available on the WestConnect website (Business Practice Manual).

A. Overview

The WestConnect Planning Region is defined by the transmission owner and transmission provider members (referred to generally as Transmission Owners) participating in the Regional Planning Process and for which WestConnect is conducting regional planning. The service areas of the Transmission Owners consist of all or portions of nine states: Arizona, California, Colorado, Nebraska, New Mexico, Nevada, South Dakota, Texas and Wyoming. Non-public utilities such as LADWP are invited to participate in the Regional Planning Process.

Following the effective date of the enrolled Transmission Owners, September 20, 2013 Order No. 1000 compliance filings with the Federal Energy Regulatory Commission ("Effective Date"), the WestConnect Order No. 1000 regional transmission planning management committee (the Planning Management Committee or PMC) is responsible for administering the Regional Planning Process. In order to align its regional process with the western interregional coordination process, WestConnect began its biennial process in 2016. WestConnect conducted an abbreviated planning process in 2015.

In conjunction with creating the new PMC, the WestConnect members, in consultation with interested stakeholders, have established 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 are required to execute the Planning Participation Agreement and any necessary confidentiality agreements. The PMC implements the stakeholder-developed Regional Planning Process, which results in a Regional Plan for the ten-year transmission planning horizon.

1. WestConnect Planning Participation Agreement

Each WestConnect member is a signatory to the Planning Participation Agreement, which formalizes the members' relationships and establishes

obligations, including Transmission Owner coordination of regional transmission planning among the WestConnect participants and the local transmission planning processes, and producing a Regional Plan.

2. Members

WestConnect members can fall into 2 different categories: (i) transmission owners that enroll in the WestConnect Planning Region in order to comply with Order No. 1000 planning and cost allocation requirements, as well as Transmission Owners that elect to participate in the WestConnect Regional Planning Process without enrolling for Order No. 1000 cost allocation purposes, and (ii) stakeholders who wish to have voting input into the methodologies, studies, and decisions made in the execution of those requirements.

a. Joining the WestConnect Planning Region

A transmission owner that wishes to enroll or participate in 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 WestConnect's Planning Participation Agreement, located on the WestConnect website at http://www.westconnect.com./planning_agreement.php and on file with FERC.

b. Exiting the WestConnect Planning Region

Should a Transmission Owner member 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 expenditures approved prior to providing its formal notice of withdrawal from the WestConnect Planning Region.

Los Angeles Department of Water and Power
Attachment K
Transmission Planning Process

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 will forfeit any monies or dues paid to the PMC and agree to remit to the PMC 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:

i. Arizona Public Service Company
ii. Black Hills Colorado Electric Utility Company, LP
iii. Black Hills Power, Inc.
iv. Cheyenne Light, Fuel, & Power Company
v. El Paso Electric Company
vi. NV Energy, Inc. Operating Companies
vii. Public Service Company of Colorado
viii. Public Service Company of New Mexico
ix. Tucson Electric Power Company
x. UNS Electric, Inc.

3. WestConnect Objectives and Procedures for Regional Transmission Planning

The Regional Planning Process will produce a Regional Plan that complies with existing Order No. 890 principles and carried forward in Order No. 1000:

a. Coordination

b. Openness

c. Transparency

d. Information exchange

e. Comparability

f. Dispute resolution

g. Regional Coordination

h. Economic Planning Studies

i. Cost Allocation

4. LADWP, along with the other Planning Participation Agreement signatories, shall work through the Regional Planning Process to integrate its transmission plan with the other WestConnect participant 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 Regional Planning Process and all planning management functions pursuant to the Planning Participation Agreement;

   d. Maintaining a regional planning section on the WestConnect website[2] where all WestConnect planning information, including meeting notices, meeting minutes, reports, presentations, and other pertinent information is posted;

   e. Posting detailed notices of all regional and local planning meeting agendas on the WestConnect website; and

   f. Establishing a cost allocation process for regional transmission projects selected in the Regional Planning Process for cost allocation.

B. Roles in Regional Planning Process

1. 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

[2] The WestConnect website is located at http://www.westconnect.com.

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, Transmission Owners, and other interested stakeholders, the PMC will develop the Regional Plan. The PMC, after considering the data and comments supplied by customers and other stakeholders, develops a regional transmission plan that treats similarly-situated customers (*e.g.*, network, retail network, and native load) comparably in transmission system planning.

The PMC is charged with development and approval of the Regional Plan. The PMC is structured to be comprised of representatives from each stakeholder sector. The PMC is empowered to create and dissolve subcommittees as necessary to facilitate fulfillment of its responsibilities in developing the Regional Plan.

2. Stakeholder Participation and Assistance

Stakeholders may participate in the Regional Planning Process by any one or more of the following ways: (a) 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 as a member of WestConnect in accordance with the Planning Participation Agreement. Transmission Owners with a Load Serving Obligation will not be responsible for annual dues because Transmission Owners with a Load Serving Obligation will be the default source of monies 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. (*See* at http://www.oasis.oati.com/LDWP/LDWPdocs/Attachment_K.pdf). All stakeholders

are encouraged to bring their plans for future generators, loads or transmission services to the WestConnect 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.

3. 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.

4. Stakeholder Meetings

   WestConnect holds 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 Plan. Notice for such meetings is posted on the WestConnect website and via email to the Regional Planning Process email distribution list.

   The meeting agendas for all WestConnect planning meetings are 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.

5. WestConnect Planning Process Governance

   a. Membership Sectors

      The Regional Planning Process is governed by the PMC, which is tasked with executing the Regional Planning Process and has 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 PMC membership sectors is available:

i. Transmission Owners with Load Serving Obligations
ii. Transmission Customers
iii. Independent Transmission Developers and Owners
iv. State Regulatory Commissions
v. Key Interest Groups

Only transmission owners that have load serving obligations individually or through their members may join the Transmission Owners with Load Serving Obligations membership sector. The Transmission Owners with Load Serving Obligations sector will be comprised of (a) those transmission owners that enroll in the WestConnect Planning Region for purposes of Order No. 1000; and (b) those transmission owners that elect to participate in the WestConnect Regional Planning Process as Coordinating Transmission Owners.

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. If a non-public utility is qualified to join the Transmission Owners with Load Serving Obligations sector as well as one or more other sectors, and the non-public utility elects to join a sector other than the Transmission Owners with Load Serving Obligations sector, the PMC will not perform the function of regional transmission planning for that entity. Additionally, if a member of the Transmission Owner with Load Serving Obligations 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 PMC is empowered to create and dissolve subcommittees as necessary to ensure timely fulfillment of its responsibilities; to assess fees for membership status on the PMC; and to assess fees for projects submitted for evaluation as part of the Regional Planning Process. The PMC manages the Regional

Los Angeles Department of Water and Power
Attachment K
Transmission Planning Process

Planning Process, including approval of the Regional Plan that includes application of regional cost allocation methodologies.

The PMC coordinates 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, develops and approves the Regional Plan based on recommendations from the PS and CAS; and develops and approves 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 appoints the chair of the PS and CAS. The chair for each subcommittee must be a representative of the Transmission Owners with Load Serving Obligations 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 provides 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 reviews and makes 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 reviews and recommends projects to the PMC for purposes of cost allocation identified in the Regional Planning Process. The CAS provides public notice of committee meetings and provides opportunities for stakeholders to provide comments on the process and proposed cost allocation.

All actions of the PMC (including approval of the Regional Plan) are made possible by satisfying either of the following requirements:

i. 75% of the members voting of at least three (3) sectors approving a motion, where one of the three sectors approving is the Transmission Owners with Load Serving Obligation sector; or

ii. 75% of the members voting of the four member sectors other than the Transmission Owners with Load Serving Obligation sector approving a motion and two-thirds (2/3) of the members voting of the Transmission Owners with Load Serving Obligation sector approving a 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 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 active or threatened).

C 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 is established by the PMC. In all cases, requests for submittal of data from WestConnect members and stakeholders is 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 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 accepted through the fifth (5th) quarter of the planning cycle (or first (1st) quarter of the second (2nd) year). A timeline detailing the timing and notice for submission of information and input can be found in Exhibit 1 of this Attachment K.

1. Transmission Customers

Los Angeles Department of Water and Power
Attachment K
Transmission Planning Process

Transmission customers shall generally submit their load forecast and other relevant data through the WestConnect member's (*e.g.*, LADWP'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 email or by posting information to a designated website.

2. 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 in Section III.C.5 below. Notice of the submission period is posted on the WestConnect website and is made via email to WestConnect stakeholders. The submission period lasts 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 Transmission Owners with Load Serving Obligations. 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.

Los Angeles Department of Water and Power
Attachment K
Transmission Planning Process

3. 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 affect a coordinated Regional Plan that considers all system needs.

   Each regional transmission planning cycle includes a submission period for project submittals to address an identified regional need, as described in Section III.C.5 below. Notice of the submission period is posted on the WestConnect website and is made via email 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 lasts for no less than thirty (30) days and during this time sponsors of merchant transmission projects that are believed to impact the WestConnect transmission system are asked to provide certain project information.

   Projects proposed by Merchant Transmission Developers are subject to the same Reliability Standards as projects submitted by Transmission Owners with Load Serving Obligations. 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.

4. Transmission Owners with Load Serving Obligations

   Transmission Owners that are members of the WestConnect Planning Region are responsible for providing all necessary system information to the Regional Planning Process.

   At the beginning of each regional transmission planning cycle, Transmission Owners that are participating in the Regional Planning Process shall be responsible for verifying the accuracy of any data (including, but not limited to

system topology and project proposal information) they have previously submitted. Transmission Owners shall 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 Section III.C.5 below. Transmission Owners shall also be responsible for submitting any project plans developed through their local transmission planning processes for inclusion in the Regional Plan models.

5. 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:

- 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*

Los Angeles Department of Water and Power
Attachment K
Transmission Planning Process

- 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 VI.
- 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.

***** Merchant transmission developers are exempt from these requirements.

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 will provide, subject to appropriate confidentiality and CEII restrictions, the information in the possession of the PMC that an applicant needs to perform the transmission system impact study and to identify the costs associated with any upgrades required to mitigate adverse impacts.

Los Angeles Department of Water and Power
Attachment K
Transmission Planning Process

There is an open submission period for project proposals to address identified regional needs. Notice of the submission period is posted on the WestConnect website and will also be made via email to WestConnect stakeholders. The submission period lasts for no less than thirty (30) days and ends by the fifth (5th) quarter of the WestConnect planning cycle (or first (1st) quarter of the second (2nd) year of the planning cycle). Proposals submitted outside that window will not be considered. The PMC has the authority to determine the completeness of a project submittal. Project submittals deemed incomplete are granted a reasonable opportunity to cure any deficiencies identified in writing by the PMC.

Any stakeholder wishing to present a project submittal to address an identified regional need shall be required to submit the data listed above for the project to be considered in the Regional Planning Process. 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. The PMC retains the sole authority for determining completeness of the information submittal. After the completion of the project submittal period, the PMC posts 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 is given a reasonable opportunity to cure the reason(s) it was rejected to the satisfaction of the PMC in its sole discretion.

6. 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 (5th) quarter of the WestConnect planning cycle (or first (1st) quarter of the second (2nd) year of the planning cycle). The following criteria must be satisfied in order for a non-trans mission 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 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.5, those who submit under Section III.C.6 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.

7. The WestConnect Regional Planning Cycle

The WestConnect regional transmission planning cycle is biennial. The WestConnect PMC will develop and publish a Regional Plan every other year.

D 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 under Section III.A.2.l. Notwithstanding the foregoing, if at the time the applicant submits the information required by this Section III.D.2, 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 it has an adequate internal safety program, contractor safety program, safety performance record and program execution.

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; demonstrate 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 it has, or has 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, and provide a 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 those 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). 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 Transmission Owners with Load Serving Obligations or Independent Transmission Developers and Owners sector, or must agree to join the WestConnect Transmission Owners with Load Serving Obligations or Independent Transmission Developers and Owners sector and agreed 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

Los Angeles Department of Water and Power
Attachment K
Transmission Planning Process

No later than September 30 each year, the PMC notifies each transmission developer whether it has satisfied the stated criteria. A transmission developer failing to satisfy one or more of the qualification criteria is 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 informs 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 identifies 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 is 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.

E. Overview of Regional Planning Methodology and Evaluation Process

The Regional Planning Process is intended to identify regional needs 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 are 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 are 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 performs 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 pursues such studies in a not unduly discriminatory fashion. The study methods employed for PMC-initiated studies are the same types of study methods employed for stakeholder-initiated studies (*see, e.g.*, Section III.F addressing the use of NERC Transmission Planning (TPL) Reliability Standards for regional reliability projects, Section III.G addressing the use of

production cost modeling for regional economic projects, and Section III.H addressing the identification of Public Policy Requirements for regional public policy-driven projects).

Solution alternatives are evaluated against one another on the basis of the following criteria to select the preferred solution or combination of solutions: (1) ability to fulfill the identified need practically; (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 PMC 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:

- Regional reliability solutions
- Regional economic solutions
- Regional transmission needs driven by Public Policy Requirements
- Non-transmission alternatives

LADWP 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 hereto as Exhibit 1.

All WestConnect Transmission Owners with Load Serving Obligation 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 are included in the Regional Plan base case system models.

F. WestConnect Reliability Planning Process

Los Angeles Department of Water and Power
Attachment K
Transmission Planning Process

Once the base case is established and verified, the PMC performs a regional reliability assessment in which the base case system models are checked for adherence to the relevant NERC or WECC Transmission Planning Reliability Standards, through appropriate studies, including, but not limited to, steady-state power flow, voltage, stability, short circuit, and transient studies as outlined in the Business Practice Manual. If a reliability violation is identified in this power flow process, the violation is referred back to the appropriate Transmission Owner.

The PMC identifies projects to resolve any regional violations that impact more than one Transmission Owner of relevant NERC or WECC Transmission Planning Reliability Standards or WECC criteria. In addition, 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 then identifies 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 would 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. The PMC performs the regional reliability assessment and, if necessary, identify a regional need for transmission projects to resolve any violations that impact more than one Transmission Owner in the fourth quarter of the planning cycle.

G. WestConnect Economic Planning Process

As part of the Regional Planning Process, the PMC analyzes 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 the WestConnect Planning Region through production cost modeling. This analysis also utilizes WECC Board-approved recommendations to further investigate congestion within the WestConnect Planning Region for congestion relief or economic benefits that has 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 identifies more efficient or cost-effective regional transmission projects, but will not modify local transmission plans.

Los Angeles Department of Water and Power
Attachment K
Transmission Planning Process

The WestConnect economic planning process analyzes benefits via detailed production cost simulations. The models employed in the production cost simulations appropriately consider the impact of transmission projects on production cost and system congestion. The WestConnect economic planning process also considers the value of decreased reserve sharing requirements in its development of a plan that is more efficient or cost-effective. As seen in Exhibit 1 of this Attachment K, the PMC develops 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.

H. WestConnect Public Policy Planning Process

a. Procedures for Identifying 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 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 Transmission Owners (as opposed to a requirement that is imposed on a geographic region). For those Public Policy Requirements that affect more than one Transmission Owner in the WestConnect Planning Region, a solution identified at the local level to satisfy the local needs of the affected Transmission Owner(s), may also satisfy a regional transmission need identified by the PMC for the WestConnect Planning Region.

WestConnect Transmission Owner members that are planning consistent with Order No. 890 will continue to conduct local transmission planning processes (Section II 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 provides 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 Transmission Owners in the WestConnect region.

The PMC begins 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 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 seeks 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 communicates with stakeholders through public postings on the WestConnect website of meeting announcements and discussion forums. In addition, the PMC maintains 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 identifies 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 considers, 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 the PMC identifies 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, utilizes 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 may be part of the open dialogue.

b. Procedures for Identifying Solutions to Regional Transmission Needs Driven by Public Policy Requirements

Stakeholders 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 identifies 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 transmission needs driven by Public Policy Requirements are the same as those procedures used to evaluate any other project proposed in the Regional Planning Process, whether or not submitted for purposes of cost allocation.

The PMC performs 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 identifies whether 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 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 develops the public policy analysis in the sixth (6th) quarter and parts of the fifth (5th) and seventh (7th) 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.G (WestConnect Economic Planning Process) of this Attachment K, if time and resources permit.

d. Posting of Public Policy Needs

WestConnect maintains on its website (i) a list of all 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 transmission needs driven by Public Policy Requirements will not be evaluated.

Los Angeles Department of Water and Power
Attachment K
Transmission Planning Process

I. Consideration of Non-Transmission Alternatives

Non-transmission alternatives submitted in accordance with Section III.C above are 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 grid needs driven by Public Policy Requirements. Non-transmission alternatives are not eligible for regional cost allocation.

J. Approval of the WestConnect Regional Plan

The Cost Allocation Subcommittee submits, 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.

1. CTO Acceptance of Cost Allocation

   Each Coordinating Transmission Owner (CTO) beneficiary will indicate whether it accepts the cost allocation for the project, as follows:

   a. A CTO Member, in its sole discretion, may elect to accept a cost allocation for each separate transmission facility for which it is identified as a beneficiary, but only if it notifies the Chair of the PMC in writing of its decision to accept any such cost allocation within sixty (60) calendar days after the benefit/cost analysis is posted by the PMC under this Section III.J; provided, however, that the PMC has the discretion to extend the 60-day period when additional time is

necessary for an identified beneficiary to complete its internal review and deliberation process before deciding to accept the cost allocation.

b. A CTO Member giving notice that it elects to accept a cost allocation for a transmission facility may rescind that notice at any time prior to the end of the sixty (60) day period, or such extended period established in this Section III.J.1.

c. A CTO Member that does not accept a cost allocation for a transmission facility will not be subject to cost allocation for that transmission facility.

The information made available under this Section III.J will be electronically masked and made available pursuant to a process that the PMC reasonably determines is necessary to prevent the disclosure of confidential information or CEII contained in the information.

2. Recalculation of Benefits and Costs for Reliability Projects

The Cost Allocation Subcommittee will adjust, as necessary, its project benefit/cost analysis and beneficiary identification for any transmission project that continues to meet the region's criteria for regional cost allocation. For any CTO beneficiary that does not accept cost allocation for a project under this Section III.J, such CTO's transmission need(s) which was included within the identification of the region's transmission needs under Sections IV.F through IV.H (for which the regional project would have avoided an alternative reliability project in such CTO's local transmission plan) will be removed as a regional transmission need for purposes of justifying a project's approval as a project eligible for inclusion in the Regional Plan for purposes of cost allocation.

3. Recalculation of Benefits and Costs for Public Policy Requirements Projects

The Cost Allocation Subcommittee will adjust, as necessary, its project benefit/cost analysis and beneficiary identification for any transmission project that continues to meet the region's criteria for regional cost allocation. For any CTO beneficiary that does not accept cost allocation for a project under this Section III.J, such CTO's transmission need(s) which was included within the identification of the region's transmission needs under Sections III.F through III.H (for which the regional project would have avoided an alternative Public Policy Requirements project in such

CTO's local transmission plan) will be removed as a regional transmission need for purposes of justifying a project's approval as a project eligible for inclusion in the Regional Plan for purposes of cost allocation. This shall include any such CTO's resource needs necessary to comply with Public Policy Requirements.

4. Recalculation of Benefits and Costs for Economic Projects

   The Cost Allocation Subcommittee will adjust, as necessary, its project benefit/cost analysis and beneficiary identification for any transmission project that continues to meet the region's criteria for regional cost allocation. For any CTO beneficiary that does not accept cost allocation for a project under this Section III.J, such CTO's transmission benefits which were included within the identification of the regional project's economic benefits under Sections III.F through III.H will be removed as a regional transmission benefit for purposes of justifying a project's approval as a project eligible for inclusion in the Regional Plan for purposes of cost allocation. This shall include the value of any economic benefits determined through the regional transmission plan to accrue to such CTO.

5. Resultant Increase in Beneficiary Cost Allocation

   Any regional transmission project that continues to meet the region's benefit/cost and other criteria for regional cost allocation will remain eligible for selection in the Regional Plan for purposes of cost allocation.

6. Approval of the WestConnect Regional Transmission Plan

   Upon completion of the process outlined above, the PMC 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 describes the manner in which the applicable regional cost allocation methodology was applied to each project selected in the Regional Plan for purposes of regional cost allocation. Projects that meet system needs are incorporated into the Regional Plan. 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.

Los Angeles Department of Water and Power
Attachment K
Transmission Planning Process

K. Reevaluation of the WestConnect Regional Plan

The PMC 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 Effective Date, which is the effective date of the Planning Participation Agreement. 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 VII 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:

1. 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;

2. 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;

3. 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

Los Angeles Department of Water and Power
Attachment K
Transmission Planning Process

4. 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.

    a. 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.

    b. 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.

    c. 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.

Los Angeles Department of Water and Power
Attachment K
Transmission Planning Process

When the Regional Plan is reevaluated as a result of any of the conditions triggering reevaluation addressed above, the PMC determines if an evaluation of alternative transmission solutions is needed in order to meet an identified regional need. In doing so, the PMC uses 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 Owner's Transmission Planning (TPL) Reliability 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 Effective Date will also 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 Effective Date.

L. Confidential or Proprietary Information

Los Angeles Department of Water and Power
Attachment K
Transmission Planning Process

Although the Regional Planning Process is open to all stakeholders, Stakeholders are 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 or execute a non-disclosure agreement (NDA) with WECC (See www.wecc.biz) or (ii) execute a non-disclosure agreement with the applicable WestConnect Planning Region members, 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 mailto:NDA@westconnect.com. A link to the NDA has been provided http://clkrep.lacity.org/onlinedocs/2016/16-0098_misc_5_01-25-2016.pdf.

IV. Coordination at the Western Interconnection Level

LADWP will coordinate its transmission plan on a west-wide regional basis through SWAT and WestConnect. WestConnect will coordinate its regional transmission plan with the other regional plans in the Western Interconnection and at the WECC level.

A. Procedures for Inter-Regional Planning Project Review

1. WECC Coordination of Reliability Planning

    a. WECC develops the Western Interconnection-wide base cases for transmission planning analysis such as power flow, stability and dynamic voltage stability studies. The WECC-approved base cases are used for study purposes by transmission planners, subregional transmission planning groups, and other entities that have signed non-disclosure agreements with WECC.
    b. WECC also maintains a data base for reporting the status of all planned projects throughout the Western Interconnection.
    c. WECC provides for coordination of planned projects through its Procedures for Regional Planning project review.

d. WECC's path rating process ensures that a new project will have no adverse effect on existing projects or facilities.

2. WECC Open Stakeholder Meetings

Western Interconnection-wide economic planning studies are conducted by the WECC in an open stakeholder process that holds region-wide stakeholder meetings on a regular basis. The WECC Transmission Planning Protocol, including the WECC procedures for prioritizing and completing regional economic studies, is posted on the WECC website *(see LADWP Attachment K Hyperlinks List*). LADWP participates in the region-wide transmission planning process, as appropriate, to ensure that data and assumptions are coordinated.

3. Role of WECC

WECC provides two primary functions in relation to the LADWP transmission planning process.

a. Development and maintenance of the west-wide economic planning study database.

i. WECC uses publicly available data to compile a database that can be used by a number of economic congestion study tools.
ii. WECC's database is publicly available for use in running economic congestion studies. For an interested transmission customer or stakeholder to utilize WECC's Pro-Mod planning model, it must comply with WECC confidentiality requirements.

b. Performance of economic planning studies. WECC has an annual study cycle, described in the WECC Transmission Planning Protocol, *(see LADWP Attachment K Hyperlinks List)* during which it will update databases, develop and approve a study plan that includes studying Requesters' high priority economic study requests as determined by the open WECC stakeholder process, perform the approved studies and document the results in a report.

c. Identification of Congested Paths for WestConnect Economic Review. Through TEPPC's economic study process, congested paths may be reviewed and identified as being candidates for economic transmission studies. Upon

WECC Board approval of a designation for such a path, the WestConnect Regional Planning Process will review the path for potential economic transmission solutions.

V. Recovery of Planning Costs

LADWP's costs associated with the Transmission Provider's implementation of this Attachment K, including its share of costs associated with WestConnect, shall be recovered through LADWP's transmission rates. The costs for any regional economic planning study shall be paid for by the Requester of the study. Any costs incurred by any stakeholder for participation in the planning processes set forth in this Attachment K shall be borne by the stakeholder.

VI. Dispute Resolution

Any dispute between a stakeholder and LADWP ("Disputant or Disputants") involving Attachment K shall be conducted in accordance with the Dispute Resolution Process in Section 12 of LADWP's Open Access Transmission Tariff ("OATT").

Disputes Between PMC Members

For disputes between members of the PMC, the following dispute resolution procedures apply:

1. Initiating Dispute Resolution

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. Arbitration

A dispute may be referred to arbitration under the governing provisions of the Planning Participation Agreement.

VII. Cost Allocation

A. Allocation of Costs for Local Projects

LADWP will utilize a case-by-case approach to allocate costs for new transmission projects. This approach will be based on the following principles:

1. Solicitation of Interest

LADWP may elect to conduct a solicitation of interest for certain projects. Upon a determination by LADWP to hold solicitation of interest for a transmission project, LADWP will:

a. Announce and solicit interest in the project through informational meetings, its website and/or other meant of dissemination as appropriate.
b. Hold meetings with interested parties and meetings with public utility staffs from potential affected areas.
c. Post information via WECC's planning project review reports.
d. Develop the initial transmission 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 form participants for final cost shares; and secure execution of construction and operating agreements.

2. Allocation of Costs

a. Proportional Allocation

For any project entered into pursuant to a solicitation process; project costs and associated transmission rights will generally be allocated proportionally to project participants subject to a negotiated participation agreement. In the event the 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 any project not wholly within LADWP's local 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. LADWP's Rate Recovery
Notwithstanding the foregoing provisions, LADWP will not assume cost responsibility for any project if the cost of the project is not approved for recovery in its retail and/or wholesale rates.

4. Exclusions
The cost for projects undertaken in connection with requests for generator interconnection or transmission service in LADWP's systems are governed by the OATT and will not be subject to the provisions of this Attachment K

B. Allocation of Costs for Regional Transmission Planning Projects

For any project determined by the PMC to be eligible for regional cost allocation, project costs will be allocated proportionally to those entities determined by the PMC, as shown in the Regional Plan, to be beneficiaries in the WestConnect Planning Region, as identified in this Attachment K, subject to the processes set forth in Sections II through IV.

The PMC, with input from the CAS, determines 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 must not be involuntarily assigned costs.
- A benefit-to-cost ("B/C") threshold of not more than 1.25 shall be used, as applicable, so that projects with significant benefits are not excluded.

- Costs must be allocated solely within the WestConnect Planning Region, unless other regions or entities 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 PMC 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. LADWP 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]

1. Allocation of Costs for Reliability Projects

In order to allocate costs to Transmission Owners for system reliability improvements that are necessary for their systems to meet the NERC TPL standards, the WestConnect cost allocation procedure shall 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.

[3] References to "Transmission Owners" in the cost allocation provisions are to transmission owners for which the WestConnect Planning Management Committee is performing the function of regional transmission planning. At present, those Transmission Owners are TOLSO members.

Los Angeles Department of Water and Power
Attachment K
Transmission Planning Process

All components of a Transmission Owner's local transmission plan shall be included in the Regional Plan and shall be considered Local Transmission Projects that are not eligible for regional cost allocation. A system performance analysis shall be performed on the collective plans to ensure the combined plans adhere to all relevant NERC TPL Reliability Standards and stakeholders shall 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 II.F, above.

Should a reliability issue be identified in the review of the included local transmission plan, the project necessary to address that reliability issue shall be included in the Regional Plan and the cost shall 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 shall be approved for selection in the Regional Plan and the cost shall be 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 shall 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. Costs will be allocated on the basis of the average of all scenarios evaluated. The B/C ratio shall be calculated by the PMC. This B/C ratio shall 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

Los Angeles Department of Water and Power
Attachment K
Transmission Planning Process

o Company 1 allocation: 90/150 (100) = $60 million

o Company 1 B/C ratio: 90/60 = 1.5

o Company 2 allocation: 60/150 (100) = $40 million

o Company 2 B/C ratio: 60/40 = 1.5

Other than through the reevaluation process described in Section III.J 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 shall 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 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 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 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).

Los Angeles Department of Water and Power
Attachment K
Transmission Planning Process

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.B 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 shall be allocated costs for economic projects, WestConnect shall 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 shall 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 shall 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

Los Angeles Department of Water and Power
Attachment K
Transmission Planning Process

Any transmission system additions that arise from Public Policy Requirements shall be included in the system models used for the WestConnect transmission system studies. Further, any additional system needs that arise from proposed public policy shall be reported by each entity for its own service territory. Decisions on the inclusion of those needs shall be made during the consideration and approval of the system models. 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 in Section II of this Attachment K), any projects arising out of a regional need for transmission infrastructure to satisfy the Public Policy Requirements shall 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 determines 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 stakeholoder participation provisions of Section III, or through membership on the PMC itself. After seeking the input of stakeholders, the PMC determines whether to select a particular regional solution in the regional transmission plan for purposes of cost allocation. The identification of beneficiaries of these projects shall be the entities that shall 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 shall 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 shall 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 would be provided for under the generator interconnection section 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 shall be addressed through the Public Policy Requirements section of the Regional Planning Process.

The manner in which WestConnect applied this methodology to each public policy project shall be described in the Regional Transmission 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 shall 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 categorizes 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.

- 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 to 1, than the result of the equation identified in Section VII.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 VII.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 to 1, than the result of the equation identified in Section VII.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-benefit 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-benefit 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 shall be shared according to the amount of cost that is justified by each type of benefit.

5. 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

Los Angeles Department of Water and Power
Attachment K
Transmission Planning Process

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 their 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 non-incumbent 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 VII.C.5 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, (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.

6. Project Development Schedule

The WestConnect PMC 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 PMC 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.

7. 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. A "Requester" is defined as any LADWP transmission customer or other stakeholder, including sponsors of transmission solutions, generation solutions and solutions utilizing demand response resources.

8. LADWP Rate Recovery

Notwithstanding the foregoing provisions, LADWP will not assume cost responsibility for any project if the cost of the project is not approved for recovery in its retail and/or wholesale transmission rates.

9. 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, shall or chooses to develop and build the project must submit a project development schedule as required by Section VII.C.6 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, either sponsored by a transmission developer or unsponsored, 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 III.D.3 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 VII.C.6 of this Attachment K.

Los Angeles Department of Water and Power
Attachment K
Transmission Planning Process

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.

10. No Obligation to Construct

The WestConnect 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 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 or the Planning Participation Agreement or any cost allocation under the Business Practice Manual or the Planning Participation Agreement will (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 an Order No. 1000 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 VIII of this Attachment K are binding on identified beneficiaries enrolled in the WestConnect Planning Region, without prejudice to the following rights and obligations: (1) the right of a CTO, at its sole discretion, to decide whether to accept regional cost allocation in accordance with Section

III.J; (2) 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 III.K of this Attachment K; (3) the right and obligation of an 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; (4) the right and obligation of any interested person to intervene and be heard before the Commission in any Section 205 or other applicable provision 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 (5) the right and obligation of the Commission to act under Section 205 or other applicable provisions 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]

12. Impacts of a Regional Project on Neighboring Planning Regions

The PMC studies the impact(s) of a regional transmission project on neighboring planning regions, including the resulting need, if any, for mitigation measures in such neighboring planning regions. If the PMC finds that a regional transmission project in the WestConnect Planning Region causes impacts on a neighboring planning region 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 includes 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 VII.C of this Attachment K, including application of the region's benefits-to-costs analysis.

[4] An Eligible Transmission Developer may not be subject to the Commission's Section 205 jurisdiction. See Section VII.C.5. 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 the Commission for project cost recovery pursuant to any other applicable section of the Federal Power Act.

Los Angeles Department of Water and Power
Attachment K
Transmission Planning Process

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

a. The cost for transmission projects undertaken in connection with requests for generation interconnection or transmission service on the LADWP transmission system, which are governed by existing cost allocation methods within LADWP's OATT, shall continue to be so governed and shall not be subject to the provisions of this Attachment K.

b. As provided in LADWP's OATT, and the Transmission Customer's individual service agreement (if applicable), the Transmission Customer or Requester shall be responsible for the installed cost of all new load serving interconnections or upgrades to existing load serving interconnections.

VIII. Interregional Planning

This Section VIII of Attachment K sets forth common provisions, which are to be adopted by or for each Planning Region and which facilitate the implementation of Order No. 1000

interregional provisions. WestConnect is to conduct the activities and processes set forth in this Section VIII of Attachment K in accordance with the provisions of this Section VIII of Attachment K and the other provisions of the Attachment K, as applicable. Nothing in this Section VIII 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 (as defined herein) 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 VIII to any transmission planning processes, including cost allocations, are references to transmission planning processes pursuant to Order No. 1000.

A. Definitions

The following capitalized terms where used in this Section VIII of Attachment K, are defined as follows:

Annual Interregional Coordination Meeting: shall have the meaning set forth in Section VIII.C below.

Annual Interregional Information: shall have the meaning set forth in Section VIII.B below.

Interregional Cost Allocation: means the assignment of ITP costs between or among Planning Regions as described in Section VIII.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 VIII.D.1.

Order 1000 Common Interregional Coordination and Cost Allocation Tariff Language: means this Section VIII, which relates to Order No. 1000 interregional provisions.

Planning Region: means each of the following Order No. 1000 transmission planning regions insofar as they are within the Western Interconnection: California Independent

Los Angeles Department of Water and Power
Attachment K
Transmission Planning Process

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 VIII.D.2, at which time it shall no longer be considered a Relevant Planning Region.

A. 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:

1. 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;

1. Initial study reports (or system assessments); and
2. 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.

Los Angeles Department of Water and Power
Attachment K
Transmission Planning Process

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 Orders covering the standards of conduct for transmission providers. 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, 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.

B. 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:

1. Each Planning Region's most recent Annual Interregional Information (to the extent it is not confidential or protected by CEII or other legal restrictions);

2. 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

3. Updates of the status of ITPs being evaluated or previously included in WestConnect's regional transmission plan.

C. 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 VIII.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 VIII.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 VIII.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 VIII.D.1, WestConnect (if it is a Relevant Planning Region):

(i) 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;

(ii) is to provide stakeholders an opportunity to participate in WestConnect's activities under this Section VIII.D.2 in accordance with its regional transmission planning process;

(iii) 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 VIII.D.2 to participate in the joint evaluation of the ITP; and

(iv) 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.

D. 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 VIII.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 VIII.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:

Los Angeles Department of Water and Power
Attachment K
Transmission Planning Process

(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 VIII.F.2 below) to each Relevant Planning Region using the methodology described in this Section VIII.E.2.

For each ITP that meets the requirements of Section VIII.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 VIII.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 uses 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 VIII.E.2 in the same general time frame as its joint evaluation activities pursuant to Section VIII.D.2.

E. Application of Regional Cost Allocation Methodology to Selected ITP

1. Selection of 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 VIII.E.2(d) or VIII.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 Planning Regions

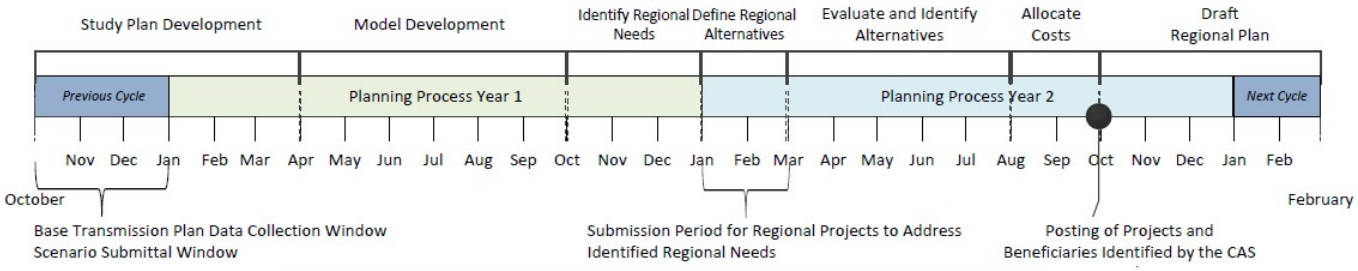
If WestConnect (if it is a Relevant Planning Region) and at least one, but fewer than all, of the other Relevant Planning Regions select the ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation, WestConnect is to evaluate (or reevaluate, as the case may be) pursuant to Sections VIII.E.2(d), VIII.E.2(e), and VIIIE.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 VIII.E.2(d) or VIII.E.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

Los Angeles Department of Water and Power
Attachment K
Transmission Planning Process

Exhibit 1



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. PURPOSE

For purposes of determining the ability of the Transmission Customer to meet its obligations pursuant to the Tariff, the Transmission Provider will apply the credit review procedures described herein.

Prior to the execution of a Service Agreement, the Transmission Provider will review the Transmission Customer's creditworthiness and at least annually thereafter or more frequently as deemed necessary by the Transmission Provider. This can be accomplished by contacting the Department's Risk Control Group at 213-367-4339. The Risk Control Group will inform the Transmission Group's Contract Manager when credit has been established. After the Transmission Service Agreement is signed, the Risk Control Group will establish the counterparty in its risk reporting system.

2. PROCEDURE FOR DETERMINING LEVEL OF CREDIT

2.1 Minimum Creditworthiness Standards for Unsecured Credit

The Transmission Customer must meet at least one the following criteria to be considered to receive unsecured credit:

1. Be a load serving entity. A load serving entity (LSE) is a distribution utility or an electric utility that has a service obligation to its retail customers.
2. Have or have a parent company with an investment-grade credit rating from the following national credit rating organizations: Standard & Poor's (S&P), Moody's Investor Services (Moody's), Fitch Ratings (Fitch) and have an Expected Default Frequency (EDF) equivalent of S&P/Moody's credit rating of at least investment grade. The lowest rating should be investment grade.

The table below lists the current maximum unsecured credit limit structure for the Department's Transmission Business:

Category	Maximum Unsecured Credit Limit[(1)]
Investment Grade	$5,000,000
Non-Rated Subsidiary with Parent Guaranty	$2,000,000
Non-Rated Internal Scored[(2)]	$1,000,000
Non-Investment Grade	$0

(1) Limits are not to exceed 1.00% of the counterparty's most recent owner's/stockholder's equity.
(2) Internal Scores are derived from assessments of the financial strength and corresponding ability to pay on a timely basis.

Once a credit limit has been reached no additional sales may be made until payment or additional credit assurance is received. If at any time a Transmission Customer fails to pay unsecured amounts owed to LADWP, the credit limit is reduced to zero.

2.2 Credit Enhancements

Credit enhancements will be required from Transmission Customers that do not meet the Minimum Creditworthiness Standards for Unsecured Credit or are exceeding their credit limits can come in any one of the following forms:

1. an irrevocable letter of credit issued by a financial institution acceptable to the Transmission Provider and possess a credit rating of at least A3 by Moody's and A- by S&P and/or Fitch
2. a payment (parent) guarantee issued by an investment rated parent company or other obligor not to exceed 1% of guarantor's most recent stockholders' equity in pre-approved payment (parent) guarantee language (Exhibit 3)
3. an escrow trust account
4. a surety/performance bond
5. a prepayment of at least ten days prior to transmission service and no interest will be paid thereon

2.3 Amount of Enhancement

The amount of enhancement will be equivalent to the lesser of the amount of the total contract notional value or the notional value of anticipated transmission services for a rolling 60-day period.

3. CHANGES IN CREDITWORTHINESS AND COLLATERAL

The Transmission Provider shall notify the Transmission Customer when credit requirements are not met and additional credit enhancement is required. The Transmission Customer shall post additional credit enhancement in accordance with Attachment L, Section 2.2, within 3 business days of notification by Transmission

Proivder that its credit requirements are not met or additional credit enhancement is required.

4. DELINQUENCIES AND ADVERSE EVENTS

When the Transmission Customer's account becomes past due, the Transmission Provider will stop conducting any new business with the Transmission Customer until the matter is resolved.

Upon notification of a Transmission Customer's bankruptcy, no new business will be conducted with the Transmission Customer and its credit limit will be reduced to zero. Upon emergence from bankruptcy, the Transmission Customer must be firmly reestablished in the marketplace as evidenced by its return to an investment grade credit status by S&P or Moody's or by successfully participating in the market for at least one year, before the Transmission Customer can reapply for credit under the regular procedures outlined in this attachment.

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ATTACHMENT M

Large Generator Interconnection Procedures

LOS ANGELES DEPARTMENT OF WATER AND POWER

LARGE GENERATOR

INTERCONNECTION PROCEDURES (LGIP)

including

LARGE GENERATOR

INTERCONNECTION AGREEMENT (LGIA)

TABLE OF CONTENTS

Page No.

Section 1. Definitions ..... - 1 -

Section 2. Scope and Application ..... - 10 -
2.1 Application of Large Generator Interconnection Procedures ..... - 10 -
2.2 Standardized Processing ..... - 10 -
2.3 Base Case Data ..... - 11 -
2.4 No Applicability to Transmission Service ..... - 11 -

Section 3. Interconnection Requests ..... - 11 -
3.1 General ..... - 11 -
3.2 Identification of Types of Interconnection Services ..... - 12 -
3.2.1 Energy Resource Interconnection Service ..... - 12 -
3.2.2 Network Resource Interconnection Service ..... - 12 -
3.3 Valid Interconnection Request ..... - 13 -
3.3.1 Initiating an Interconnection Request ..... - 13 -
3.3.2 Acknowledgment of Interconnection Request ..... - 14 -
3.3.3 Deficiencies in Interconnection Request ..... - 14 -
3.3.4 Scoping Meeting ..... - 14 -
3.4 OASIS Posting ..... - 15 -
3.5 Coordination with Affected Systems ..... - 16 -
3.6 Withdrawal ..... - 16 -

Section 4. Queue Position ..... - 17 -
4.1 General ..... - 17 -
4.2 Clustering ..... - 17 -
4.3 Transferability of Queue Position ..... - 18 -
4.4 Modifications ..... - 19 -
4.4.1 Prior to Interconnection System Impact Study Agreement ..... - 19 -
4.4.2 Prior to Interconnection Facilities Study Agreement ..... - 19 -
4.4.3 Material Modifications ..... - 19 -
4.4.4 Studies for Permitted Modifications ..... - 20 -
4.4.5 Extension of Commercial Operation Date ..... - 20 -
4.4.6 No Advancement of Commercial Operation Date ..... - 20 -
4.5 Denial of Interconnection Request for Adverse System Impact ..... - 21 -

Section 5. Procedures for Interconnection Requests Submitted Prior to Effective Date of Large Generator Interconnection Procedures ..... - 21 -
5.1 Queue Position for Pending Requests ..... - 21 -
5.2 New Transmission Provider ..... - 21 -

Section 6. Reserved ..... - 22 -

TABLE OF CONTENTS

Page No.

Section 7. Interconnection System Impact Study ..... - 22 -
7.1 Interconnection System Impact Study Agreement ..... - 22 -
7.2 Execution of Interconnection System Impact Study Agreement ..... - 23 -
7.3 Scope of Interconnection System Impact Study ..... - 24 -
7.4 Interconnection System Impact Study Procedures ..... - 25 -
7.5 Meeting with Transmission Provider ..... - 25 -
7.6 Re-study of System Impact Study ..... - 25 -

Section 8. Interconnection Facilities Study ..... - 26 -
8.1 Interconnection Facilities Study Agreement ..... - 26 -
8.1.1 Deposit and Payment For Interconnection Facilities Study ..... - 26 -
8.2 Scope of Interconnection Facilities Study ..... - 26 -
8.3 Interconnection Facilities Study Procedures ..... - 27 -
8.4 Meeting with Transmission Provider ..... - 28 -
8.5 Re-study of Facilities Study ..... - 28 -

Section 9. Engineering & Procurement ("E&P") Agreement ..... - 28 -

Section 10. Optional Interconnection Study ..... - 29 -
10.1 Optional Interconnection Study Agreement ..... - 29 -
10.2 Scope of Optional Interconnection Study ..... - 29 -
10.3 Optional Interconnection Study Procedures ..... - 30 -

Section 11. Large Generator Interconnection Agreement (LGIA) ..... - 30 -
11.1 Tender ..... - 30 -
11.2 Negotiation ..... - 30 -
11.3 Execution ..... - 31 -
11.4 Commencement of Interconnection Activities ..... - 31 -

Section 12. Construction of Transmission Provider's Interconnection Facilities and Network Upgrades ..... - 32 -
12.1 Schedule ..... - 32 -
12.2 Construction Sequencing ..... - 32 -
12.2.1 General ..... - 32 -
12.2.2 Advance Construction of Network Upgrades that are an Obligation of an Entity other than Interconnection Customer ..... - 32 -
12.2.3 Advancing Construction of Network Upgrades that are Part of an Expansion Plan of the Transmission Provider ..... - 32 -
12.2.4 Amended Interconnection System Impact Study ..... - 33 -

Section 13. Miscellaneous ..... - 33 -
13.1 Confidentiality ..... - 33 -

TABLE OF CONTENTS

Page No.

13.1.1 Scope - 33 -
13.1.2 Release of Confidential Information - 34 -
13.1.3 Rights - 34 -
13.1.4 No Warranties - 34 -
13.1.5 Standard of Care - 34 -
13.1.6 Order of Disclosure - 35 -
13.1.7 Remedies - 35 -
13.1.8 Disclosure to FERC, its Staff, or a State Regulatory Agency - 35 -
13.1.9 Disclosure to Third Parties - 36 -
13.1.10 Information within Public Domain - 36 -
13.1.11 Destruction of Confidential Information - 36 -
13.1.12 CPRA, Brown Act and NERC/WECC Requirements - 37 -
13.2 Delegation of Responsibility - 37 -
13.3 Obligation for Study Costs - 37 -
13.4 Third Parties Conducting Studies - 38 -
13.5 Disputes - 39 -
13.5.1 Submission - 39 -
13.5.2 External Arbitration Procedures - 39 -
13.5.3 Arbitration Decisions - 40 -
13.5.4 Costs - 40 -
13.5.5 Governing Law and Venue - 40 -
13.5.6 Non-Jurisdictional Entity - 40 -
13.6 Municipal Tax-Exempt Bonds - 41 -
13.6.1 Transmission Providers That Own Facilities Financed by Tax Exempt and Tax Credit Bonds - 41 -
13.6.2 Alternative Procedures for Requesting Interconnection Service - 41 -
13.7 Conformance with NERC and WECC Reliability Requirements - 41 -

TABLE OF CONTENTS

Appendix 1 – Interconnection Request for a Large Generating Facility

Appendix 2 – Reserved

Appendix 3 – Interconnection System Impact Study Agreement

Appendix 4 – Interconnection Facilities Study Agreement

Appendix 5 – Optional Interconnection Study Agreement

Appendix 6 – Form Large Generator Interconnection Agreement

Appendix 7 – Interconnection Procedure for a Wind Generating Plant or Solar Generating Plant

Large Generator
Interconnection Procedures (LGIP)
(Applicable to Generating Facilities that exceed 20 MW)

Section 1. Definitions

In addition to other terms defined within this LGIP, the following terms, whether in the singular or plural, when used herein and in appendices attached hereto and initially capitalized, shall have the meanings specified below:

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 or its successor, as the Applicable Reliability Council, and the Balancing Authority Area of the Transmission System to which the Generating Facility is directly interconnected.

Balancing Authority shall mean the responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation 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 the Transmission Provider or Interconnection Customer.

Breach shall mean the failure of a Party to perform or observe any material term or condition of this LGIP or an executed LGIA.

Breaching Party shall mean a Party that is in Breach of the provisions of this LGIP or any term or condition of an executed LGIA.

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, including any competitively sensitive, commercial or financial information, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Critical Energy Infrastructure Information or CEII shall mean specific engineering, vulnerability, or detailed design information about proposed or existing critical infrastructure that: (i) relates details about the production, generation, transportation, transmission, or distribution of energy; (ii) could be useful to a person in planning an attack on critical infrastructure; (iii) is exempt from mandatory disclosure under the Freedom of Information Act, 5 U.S.C. § 552; and (iv) does not simply give the general location of the critical infrastructure.

Critical Infrastructure shall mean existing and proposed systems and assets, whether physical or virtual, the incapacity or destruction of which would negatively affect security, economic security, public health or safety, or any combination of those matters.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the LGIA or the failure of Interconnection Customer to cure any deficiency under the provisions of this LGIP.

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, as set forth in Section 13.5 herein.

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 affect 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.

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, reliability 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 non-firm 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. For purposes of clarification, the term "Good Utility Practice" shall include compliance with Applicable Reliability Standards.

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 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.

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 Large Generator Interconnection Procedures.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 4 of the 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 Large Generator Interconnection Procedures, subject to 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 System Impact Study and the Interconnection Facilities Study described in this LGIP, but excludes any Optional Study.

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 and a non-binding estimated cost of interconnecting the Generating Facility. 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 any Adverse System Impacts, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in this LGIP.

Interconnection System Impact Study Agreement shall mean the form of agreement contained in Appendix 3 of this LGIP for conducting the Interconnection System Impact Study.

IRS shall mean the Internal Revenue Service.

Joint Operating Committee shall have the meaning ascribed in the Large Generator Interconnection Agreement.

Large Generating Facility shall mean a Generating Facility having a Generating Facility Capacity of more than 20 MW.

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.

Large Generator Interconnection Procedures ("LGIP") shall mean these interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that are included in the Transmission Provider's Tariff.

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, expert witness and consultant 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 or that cause a system impact.

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 Corporation or the successor electric reliability organization.

Network Resource shall mean any designated generating resource owned, purchased, or leased by a Network Customer under an applicable 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 in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers. 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 have the meaning ascribed in Section 13.5 of this LGIP.

Optional Interconnection Study shall mean any sensitivity or other 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 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.

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 Delivery shall have the meaning ascribed in the Tariff.

Point of Interconnection shall mean (i) prior to the execution of the LGIA, the point set forth in Attachment A to Appendix 3, the System Impact Study Agreement, where the proposed Interconnection Facilities are intended to connect to the Transmission Provider's Transmission System or (ii) upon execution of the LGIA, 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.

Point of Receipt shall have the meaning ascribed in the Tariff.

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 a valid Interconnection Request by the Transmission Provider. For purposes of this definition, Transmission Provider shall consider an Interconnection Request to be valid on the date that the Interconnection Customer has satisfied all of the requirements of Section 3.3.1 of this LGIP.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under this LGIP or the LGIA, 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, as further described in Section 3.3.4 of this LGIP.

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 these upgrades in Appendix A to the Large Generator Interconnection Agreement.

Standards of Conduct shall mean those standards adopted by the Transmission Provider that govern its transmission functions as well as communication of certain information.

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 (also known as the Open Access Transmission Tariff or OATT) through which open access Transmission Service and Interconnection Service are offered, 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, to the extent necessary, may be a Party to the Large Generator Interconnection Agreement.

Transmission Provider shall mean the transmitting 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. 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 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 Service shall mean those services provided to the Transmission Customer under the Tariff to move energy from a Point of Receipt to a Point of Delivery.

Transmission System shall mean the alternating current transmission 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.

WECC shall mean Western Electricity Coordinating Council or its successor.

Section 2. Scope and Application

2.1 Application of Large Generator Interconnection Procedures

Sections 2 through 13 of this LGIP apply to the processing of an Interconnection Request pertaining to a Large Generating Facility, **excepting** any and all Interconnection Requests to interconnect to High Voltage Direct Current (HVDC) transmission facilities owned, controlled or operated by Transmission Provider or Transmission Owner that are used to provide Transmission Service under the Tariff, which such requests shall be processed under a separate and distinct HVDC LGIP/LGIA.

2.2 Standardized Processing

Transmission Provider shall receive, process and analyze all Interconnection Requests in a timely manner as set forth in this LGIP. Transmission Provider will use the same Reasonable Efforts in processing and analyzing Interconnection Requests from all Interconnection Customers, whether the Generating Facilities are owned by Transmission Provider, its subsidiaries or Affiliates or others.

2.3 Base Case Data

Subject to the Interconnection Customer executing a confidentiality or non-disclosure agreement prior to any disclosure and further subject to the confidentiality provisions in Section 13.1 of this LGIP, Transmission Provider shall provide information on the base power flow, short circuit and stability databases including all underlying assumptions and any contingency list upon request by Interconnection Customer which may include commercially sensitive information or CEII; provided, however, that such information will not be available to Interconnection Customer prior to the Transmission Provider's completion of the Interconnection Study report. Such databases and lists, hereinafter referred to as Base Cases, shall include all (i) generation projects identified by Queue Position only and (ii) transmission projects identified by Queue Position only, 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. Transmission Provider's acknowledgement or acceptance of an Interconnection Request from Interconnection Customer bears no relationship to Interconnection Customer's access to or the availability of Transmission Service. To request Transmission Service, Interconnection Customer must submit a separate request for Transmission Service in accordance with the Tariff.

Section 3. Interconnection Requests

3.1 General

An Interconnection Customer shall submit to Transmission Provider an Interconnection Request in the form of Appendix 1 to this LGIP and a refundable deposit of $250,000 ("initial deposit") subject to the terms and conditions of this LGIP. Transmission Provider shall apply the deposit toward administrative and study costs associated with the Interconnection Request, including any administrative costs associated with the Interconnection Customer's withdrawal or default. Interconnection Customer shall submit a separate Interconnection Request for each site and may submit multiple Interconnection Requests for a single site. Interconnection Customer must submit a deposit with each Interconnection Request even when more than one request is submitted for a single site. Any Interconnection Request which proposes 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 the Scoping Meeting to evaluate in this process and attempt to eliminate

alternatives in a reasonable fashion given resources and information available. Interconnection Customer shall select the designated Point of Interconnection to be studied prior to the execution of the Interconnection System Impact Study Agreement.

3.2 Identification of Types of Interconnection Services

At the time the Interconnection Request is submitted, Interconnection Customer must request 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 Facility 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 power flow, 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 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, 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. The Transmission Provider may also study the Transmission System under non-peak load conditions. However, upon request by the Interconnection Customer, the Transmission Provider must explain in writing to the Interconnection Customer why the study of non-peak load conditions is required for reliability purposes.

3.3 Valid Interconnection Request

3.3.1 Initiating an Interconnection Request

To initiate an Interconnection Request, Interconnection Customer must submit all of the following: (i) the initial deposit required pursuant to Section 3.1, (ii) a completed application in the forms of Appendix 1 and Attachment A to Appendix 1, and (iii) demonstration of Site Control or a posting of an additional deposit of $10,000. The initial deposit shall be applied toward any administrative costs and Interconnection Studies pursuant to the Interconnection Request. If Interconnection Customer

demonstrates Site Control within fourteen (14) Calendar Days of submitting its Interconnection Request, the additional deposit shall be refundable; otherwise, such additional deposit becomes non-refundable.

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 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 that the Interconnection Request is received by Transmission Provider by a period up to ten years or longer but only in instances where Interconnection Customer and Transmission Provider agree in writing, such agreement not to be unreasonably withheld.

3.3.2 Acknowledgment of Interconnection Request

Transmission Provider shall acknowledge receipt of the Interconnection Request within ten (10) Business Days of receipt of the request. Transmission Provider may or may not attach a copy of the received Interconnection Request to its acknowledgement submitted to Interconnection Customer.

3.3.3 Deficiencies in Interconnection Request

An Interconnection Request will not be considered to be a valid request until all items in Section 3.3.1 have been received by Transmission Provider and Transmission Provider has determined that such items meet the requisites for a valid request. If an Interconnection Request fails to meet the requirements set forth in Section 3.3.1, Transmission Provider shall notify Interconnection Customer within ten (10) 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 and/or items needed to constitute a valid request within ten (10) Business Days after receipt of such notice. Failure by Interconnection Customer to comply with this Section 3.3.3 shall be treated as a withdrawal in accordance with Section 3.6.

3.3.4 Scoping Meeting

Within twenty (20) Business Days after receipt of a valid Interconnection Request, Transmission Provider shall establish a date agreeable to

Interconnection Customer for the Scoping Meeting, and such date shall be no later than thirty (30) Calendar Days from receipt of the valid Interconnection Request, unless otherwise mutually agreed upon by the Parties.

Subject to the confidentiality provisions set forth in Section 13.1, the purpose of the Scoping Meeting shall be to discuss alternative interconnection options, to exchange information including any transmission data that would reasonably be expected to impact such interconnection options, to analyze such information and to determine the potential feasible Points of Interconnection. Interconnection Customer shall 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, (v) general reliability issues as may be reasonably required to accomplish the purpose of the meeting, (vi) for wind or solar facilities, generation profile data, and (vii) if the Large Generating Facility is or, as a hybrid, includes solar photovoltaic technology, a completed Attachment A to Appendix 7. Transmission Provider and Interconnection Customer 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 shall designate its Point of Interconnection pursuant to Section _, and one or more available alternative Point(s) of Interconnection which will be studied pursuant to Section and only if a substitution of the designated Point of Interconnection is required. The duration of the meeting shall be sufficient to accomplish its purpose.

3.4 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 and Commercial Operation 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 (combined cycle, base load or combustion turbine and fuel type); 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 initiates Dispute Resolution pursuant to Section 13.5. Before holding a Scoping Meeting with any Affiliate,

Transmission Provider shall post on OASIS an advance notice of its intent to do so. Transmission Provider also shall post to its OASIS site any deviations from the study timelines set forth herein. Transmission Provider shall further post any known deviations in the Large Generating Facility's In-Service Date.

3.5 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 and, if possible, include those results (if available) in its applicable Interconnection Study report within the time frame specified in this LGIP. Transmission Provider will include such Affected System Operators in all meetings held with Interconnection Customer as required by this LGIP. 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.

3.6 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 action 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 timely disputes the withdrawal and loss of its Queue Position, then during Dispute Resolution, Interconnection Customer's Interconnection Request is eliminated from the queue if and until such time that the outcome of the Dispute Resolution would restore its Queue Position. An Interconnection Customer that withdraws or is deemed to have withdrawn its Interconnection Request shall be responsible to Transmission Provider for all costs that Transmission Provider prudently incurs with respect to that Interconnection Request and such costs shall be deducted from Interconnection Customer's initial deposit or, alternatively, if the remaining balance of the initial deposit is insufficient to cover all of the costs incurred by Transmission Provider, Interconnection Customer shall pay Transmission Provider within ten (10) Calendar Days from the date of its notice described above. Interconnection

Customer must pay or must be deemed to have paid all monies due to Transmission Provider before it is allowed to obtain any Interconnection Study data, report or results.

Transmission Provider shall (i) update the OASIS Queue Position posting and (ii) refund to Interconnection Customer any portion of Interconnection Customer's initial deposit or study payments that exceed the costs that Transmission Provider has incurred in accordance with Section 3.1. In the event of such withdrawal, Transmission Provider, subject to the confidentiality provisions of Section 13.1, 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 upon the conditions set forth in this Section 3.6.

Section 4. Queue Position

4.1 General

Transmission Provider shall assign a Queue Position based upon the date and time of receipt of the valid Interconnection Request; provided that, if the sole reason an Interconnection Request is not valid is the lack of required information on the application form, and Interconnection Customer provides such information in accordance with Section 3.3.3, then Transmission Provider shall assign Interconnection Customer a Queue Position based on the date the application form was originally filed.

Any change in the Point of Interconnection shall result in a lowering of Queue Position if it is deemed a Material Modification under Section 4.4.3.

The Queue Position of each Interconnection Request will be used to determine the order of performing the Interconnection Studies and determination of cost responsibility for the facilities necessary to accommodate the Interconnection Request. A higher queued Interconnection Request is one that has been placed "earlier" in the queue in relation to another Interconnection Request that is lower queued.

Transmission Provider may allocate the cost of the common upgrades for clustered Interconnection Requests without regard to Queue Position.

4.2 Clustering

At Transmission Provider's option, Interconnection Requests may be studied serially or in clusters for the purpose of the Interconnection System Impact Study.

Clustering shall be implemented on the basis of Queue Position. If Transmission Provider elects to study Interconnection Requests using Clustering, all Interconnection Requests received within a period not to exceed one hundred and

eighty (180) Calendar Days, hereinafter referred to as the "Queue Cluster Window" shall be studied together without regard to the nature of the underlying Interconnection Service, whether Energy Resource Interconnection Service or Network Resource Interconnection Service. The deadline for completing all Interconnection System Impact Studies for which an Interconnection System Impact Study Agreement has been executed during a Queue Cluster Window shall be in accordance with Section 7.4, for all Interconnection Requests assigned to the same Queue Cluster Window. Transmission Provider may study an Interconnection Request separately to the extent warranted by Good Utility Practice based upon the electrical remoteness of the proposed Large Generating Facility.

Clustering Interconnection System Impact Studies 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.

The Queue Cluster Window shall have a fixed time interval based on fixed annual opening and closing dates. Any changes to the established Queue Cluster Window interval and opening or closing dates shall be announced with a posting on Transmission Provider's OASIS beginning at least one hundred and eighty (180) Calendar Days in advance of the change and continuing thereafter through the end date of the first Queue Cluster Window that is to be modified.

4.3 Transferability of Queue Position

A Queue Position can be transferred only once. Such transfer is valid only if: (i) the entity assuming the Queue Position from the original Interconnection Customer acquires the specific Generating Facility identified in the Interconnection Request; (ii) the Point of Interconnection does not change; (iii) no Material Modifications are requested; and (iv) such entity acknowledges in writing that this LGIP controls, it is bound by all terms and conditions of any agreement executed between Transmission Provider and original Interconnection Customer, and the interconnection request remains subject to all study results previously issued by or on behalf of Transmission Provider.

Transmission Provider will not treat any corporate restructure, merger or acquisition as a transfer of the Interconnection Customer's Queue Position; provided that, Interconnection Customer provides sufficient proof to the Transmission Provider of such corporate restructure, merger or acquisition. If the Interconnection Customer fails to validate its corporate restructure, merger or acquisition within sixty (60) Calendar Days of the Transmission Provider's request for such proof, the change in entity will be treated as a transfer subject to the requirements of this Section 4.3.

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 permitted within the scope of Sections 4.4.1, 4.4.2 or 4.4.5, or are determined by Transmission Provider not to be Material Modifications pursuant to Section 4.4.3.

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 and/or configuration in accordance with such changes and proceed with any re-studies necessary to do so in accordance with Section 7.6 and Section 8.5 as applicable and Interconnection Customer shall retain its Queue Position.

4.4.1 Prior to Interconnection System Impact Study Agreement

Prior to the return of the executed Interconnection System Impact Study Agreement to Transmission Provider, modifications permitted under this Section shall include specifically: (a) a decrease of up to 60 percent of electrical output (MW) of the proposed project; (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 to the end of the queue for the purposes of cost allocation and study analysis.

4.4.2 Prior to Interconnection Facilities Study Agreement

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 15 percent decrease of electrical output (MW), and (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.

4.4.3 Material Modifications

Prior to making any modification other than those specifically permitted by Sections 4.4.1, 4.4.2, and 4.4.5, 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 expressly deemed permissible under Sections 4.4, 6.1, and 7.2, shall constitute a Material Modification. Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification in accordance with Section 4.4.3.1.

4.4.3.1 Withdrawal or New Interconnection Request

Any and all Material Modifications to an existing Interconnection Request shall require a new Interconnection Request. Interconnection Customer will be required to submit a new request which incorporates the Material Modification and satisfies the requirements of Section 3. If Interconnection Customer fails to withdraw the proposed modification that results in a Material Modification within thirty (30) Calendar Days of Transmission Provider's notification, then the provisions of Section 3.6 shall be invoked.

4.4.4 Studies for Permitted Modifications

Upon receipt of Interconnection Customer's request for any modification expressly permitted under this Section 4.4, Transmission Provider shall commence and perform any necessary additional studies as soon as practicable, which Transmission Provider will make Reasonable Efforts to commence such studies no 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.

4.4.5 Extension of Commercial Operation Date

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.

4.4.6 No Advancement of Commercial Operation Date

Under no circumstances will the Transmission Provider permit the Interconnection Customer to change the Commercial Operation Date to a date that is earlier in time than the date specified in the Interconnection Request application.

4.5 Denial of Interconnection Request for Adverse System Impact

Transmission Provider reserves the right to deny any Interconnection Request and release a Queue Position in the unique circumstance where an Interconnection Study determines that the Interconnection will create an Adverse System Impact on facilities or systems for which no substitute or alternative Point(s) of Interconnection or any proposed addition, modification or upgrade adequately resolves the Adverse System Impact.

Section 5. Procedures for Interconnection Requests Submitted Prior to Effective Date of Large Generator Interconnection Procedures

5.1 Queue Position for Pending Requests

5.1.1 Any Interconnection Customer assigned a Queue Position prior to the effective date of this LGIP shall retain that Queue Position.

5.1.1.1 If any Interconnection Study Agreement has not been executed as of the effective date of this LGIP, then such relevant Interconnection Study, and any subsequent Interconnection Studies, shall be processed in accordance with this LGIP.

5.1.1.2 If an Interconnection Study Agreement has been executed prior to the effective date of this LGIP, such Interconnection Study shall be completed in accordance with the terms of such agreement. With respect to any remaining studies for which an Interconnection Customer has not signed an Interconnection Study Agreement prior to the effective date of this LGIP, Interconnection Customer's Interconnection Request and all future Interconnection Studies shall be processed and performed pursuant to the terms and conditions of this LGIP.

5.1.1.3 Within ninety (90) Calendar Days of the date that this LGIP takes effect, all Interconnection Customers with a valid Interconnection Request preceding the effective date of this LGIP shall submit to Transmission Provider the initial deposit of $250,000 required in Section 3.1 of this LGIP less any deposit and costs invoiced by Transmission Provider under the terms of the former LGIP and any former or pending Interconnection Study Agreement executed by the Parties.

5.2 New Transmission Provider

If Transmission Provider transfers control of its Transmission System, in whole or in part, to a successor Transmission Provider during the period when an Interconnection Request is pending and affected by such transfer, the original Transmission Provider shall transfer to the successor Transmission Provider any amount of the deposit or payment that exceeds the cost that it incurred to evaluate

the request for interconnection. Any remaining deposit or payment required by this LGIP shall be assigned to the successor Transmission Provider, 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 the original Transmission Provider has tendered a draft LGIA to Interconnection Customer but Interconnection Customer has neither executed the LGIA nor initiated Dispute Resolution pursuant to Section 13.5, Interconnection Customer must complete negotiations with the successor Transmission Provider unless mutually agreed otherwise.

Section 6. Reserved

Section 7. Interconnection System Impact Study

7.1 Interconnection System Impact Study Agreement

Simultaneously with the acknowledgement of a valid Interconnection Request, Transmission Provider shall provide to Interconnection Customer with a draft Interconnection System Impact Study Agreement in the form of Appendix 3 for the Interconnection Customer's review and consideration. The draft Interconnection System Impact Study Agreement shall specify that Interconnection Customer is responsible for the actual cost of the Interconnection System Impact Study and that the Transmission Provider will draw on the Interconnection Customer's deposit, as provided for in Section 3.1, to perform the study.

Within five (5) Business Days following the Scoping Meeting, Interconnection Customer shall complete and submit Attachment A to Appendix 3 to Transmission Provider to specify the designated Point of Interconnection and any reasonable alternative Point(s) of Interconnection. The Transmission Provider shall make Reasonable Efforts, within five (5) Business Days following Transmission Provider's receipt of such designation and any reasonable alternative Point(s) of Interconnection, to execute and tender to Interconnection Customer the Interconnection System Impact Study Agreement, which includes a good faith estimate of the cost for completing the Interconnection System Impact Study. If Transmission Provider cannot execute and tender such an agreement within this time frame, Transmission Provider shall provide to Interconnection Customer an estimated date for such execution and tendering along with an explanation of the reasons why additional time is required. Interconnection Customer shall execute and deliver to Transmission Provider the Interconnection System Impact Study Agreement no later than thirty (30) Calendar Days after it receives the agreement from the Transmission Provider, subject to Section 3.6.

Concurrently with or before the Interconnection Customer's execution and return of the Interconnection System Impact Study Agreement to Transmission Provider, Interconnection Customer shall provide the technical data called for in Appendix 3, Attachment A.

If the Interconnection System Impact Study uncovers any unexpected result(s) not contemplated during the Scoping Meeting, a substitute Point of Interconnection identified by either Interconnection Customer or Transmission Provider, and acceptable to the other, such acceptance not to be unreasonably withheld, will be substituted for the designated Point of Interconnection specified above without loss of Queue Position, and re-studies shall be completed pursuant to Section 7.6 as applicable. For the purpose of this Section 7.1, if Transmission Provider and Interconnection Customer cannot agree on the substituted Point of Interconnection, then Interconnection Customer, in accordance with Section 3.3.4, may direct that one of the alternative Point(s) of Interconnection specified in the Interconnection System Impact Study Agreement shall be the substitute.
The Transmission Provider will draw upon the Interconnection Customer's initial deposit to perform the study. In the event that the initial deposit is not sufficient to cover the actual costs of the Interconnection System Impact Study, including any costs incurred for re-studying the system impact of the project in accordance with Section 7.6, the Transmission Provider shall invoice Interconnection Customer for the good faith estimate to complete the study and/or re-study. Interconnection Customer shall submit payment no later than fifteen (15) Calendar Days of its receipt of the invoice. If Transmission Provider does not receive payment for the estimated balance from Interconnection Customer within the time required above, Transmission Provider shall provide written notice in accordance with Section 3.6 and the Interconnection Customer shall be bound by the terms and time requirements in Section 3.6 to cure non-payment.

7.2 Execution of Interconnection System Impact Study Agreement

Interconnection Customer shall execute the Interconnection System Impact Study Agreement and deliver the executed Interconnection System Impact Study Agreement to Transmission Provider no later than thirty (30) Calendar Days after its receipt, along with demonstration of Site Control or the additional posting of a $50,000 deposit which shall be refundable without interest if and when Interconnection Customer demonstrates Site Control or withdraws its application.

If Interconnection Customer does not provide all required technical data when it delivers the Interconnection System Impact Study Agreement, Transmission Provider shall make Reasonable Efforts to notify Interconnection Customer of the deficiency. Upon its receipt of the notice of deficiency from Transmission Provider, 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 Interconnection System Impact Study Agreement or deposit.

If the Interconnection System Impact Study report uncovers any unexpected result(s) not contemplated during the Scoping Meeting, a substitute Point of Interconnection identified by either Interconnection Customer or Transmission Provider, and acceptable to the other, such acceptance not to be unreasonably withheld, will be substituted for the designated Point of Interconnection specified above without loss of Queue Position, and restudies shall be completed pursuant to Section 7.6 as applicable. For the purpose of this Section 7.2, if Transmission Provider and Interconnection Customer cannot agree on the substituted Point of Interconnection, then Interconnection Customer, in accordance with Section 3.3.4, may direct Transmission Provider to consider and study one of the alternative Point(s) of Interconnection specified in Attachment A to Appendix 3 as a substitute Point of Interconnection.

7.3 Scope of Interconnection System Impact Study

The Interconnection System Impact Study shall evaluate the impact of the proposed interconnection on the reliability of the Transmission System. The Interconnection System Impact 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 Interconnection System Impact 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 have initiated Dispute Resolution pursuant to Section 13.5.

The Interconnection System Impact Study will consist of analyses of short circuit/fault duty, stability, power flow, reactive margin and, if deemed necessary by the Transmission Provider, harmonics and/or subsynchronous resonance (SSR). The Interconnection System Impact Study 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 Interconnection System Impact Study will provide a list of facilities that are required as a result of the Interconnection Request and a non-binding good faith estimate of cost responsibility along with a non-binding good faith estimated time to construct.

7.4 Interconnection System Impact Study Procedures

Transmission Provider shall coordinate the Interconnection System Impact Study with any Affected System that is affected by the Interconnection Request pursuant to Section 3.5. Transmission Provider shall utilize existing studies to the extent practicable when it performs the study. Transmission Provider shall use Reasonable Efforts to complete the Interconnection System Impact Study within ninety (90) Calendar Days after (1) the Interconnection System Impact Study Agreement has been fully executed by the Parties; (2) all required technical data has been submitted by Interconnection Customer; and, if applicable, (3) any portion of the actual study costs that is not covered by Interconnection Customer's initial deposit has been fully paid. If Transmission Provider uses Clustering, Transmission Provider shall use Reasonable Efforts to deliver a completed Interconnection System Impact Study within ninety (90) Calendar Days after the close of the Queue Cluster Window.

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 System Impact Study, Transmission Provider shall notify Interconnection Customer as to the schedule status of the Interconnection System Impact Study. If Transmission Provider is unable to complete the Interconnection System Impact Study within the time period, it shall notify Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. Upon request, Transmission Provider shall provide Interconnection Customer with all supporting documentation, any relevant power flows, and short circuit and stability databases for the Interconnection System Impact Study, subject to confidentiality arrangements consistent with Section 13.1.

7.5 Meeting with Transmission Provider

Within ten (10) Business Days of providing an Interconnection System Impact Study report to Interconnection Customer, Transmission Provider shall make Reasonable Efforts to meet with Interconnection Customer to discuss the results of the Interconnection System Impact Study.

7.6 Re-study of System Impact Study

If re-study of the Interconnection System Impact Study is required due to a higher queued project dropping out of the queue, or a modification of a higher queued project subject to Section 4.4, or re-designation of the Point of Interconnection pursuant to Section 7.2, Transmission Provider shall notify Interconnection Customer in writing. Such re-study shall take no longer than sixty (60) Calendar Days from the date of notice. If Transmission Provider is unable to complete the re-study within this time period, it shall notify Interconnection Customer and provide an estimated completion date with an explanation of the reasons why

additional time is required. Any cost of re-study shall be borne by the Interconnection Customer being re-studied.

Section 8. Interconnection Facilities Study

8.1 Interconnection Facilities Study Agreement

Simultaneously with Transmission Provider's delivery of the Interconnection System Impact Study report or re-study report to Interconnection Customer, Transmission Provider shall provide to Interconnection Customer with a draft Interconnection Facilities Study Agreement in the form of Appendix 4 to this LGIP. The Interconnection Facilities Study Agreement shall provide that Interconnection Customer shall compensate Transmission Provider for the actual cost of the Interconnection Facilities Study. Within ten (10) Business Days following the Interconnection System Impact Study results meeting or as soon as practicable, Transmission Provider shall provide to Interconnection Customer an executed Interconnection Facilities Study Agreement which includes a non-binding good faith estimate of the cost and timeframe for completing the Interconnection Facilities Study. Within thirty (30) Calendar Days after its receipt of the foregoing documents, Interconnection Customer shall deliver to Transmission Provider (i) the fully executed Interconnection Facilities Study Agreement, (ii) the required technical data, and (iii) the full amount of the study deposit required pursuant to Section 8.1.1.

8.1.1 Deposit and Payment For Interconnection Facilities Study

The Transmission Provider will draw upon any remainder of the Interconnection Customer's initial deposit to perform the Interconnection Facilities Study. In the event that the remainder of the initial deposit is insufficient to cover the actual costs, including any costs incurred for re-studying the facility impact in accordance with Section 8.5, the Transmission Provider shall require an additional deposit in the amount invoiced to Interconnection Customer for the good faith estimate to complete the study and/or re-study. Interconnection Customer shall submit the additional deposit no later than thirty (30) Calendar Days of its receipt of the invoice. If Transmission Provider does not receive the deposit from Interconnection Customer within the time prescribe above, the Interconnection Customer shall be bound to the terms and time requirements in Section 3.6 to cure non-payment. Any shortage between the additional deposit and the actual costs of the Interconnection Facilities Study will be invoiced to Interconnection Customer and shall be paid in accordance with the terms of the invoice, subject to Section 3.6.

8.2 Scope of Interconnection Facilities Study

The Interconnection Facilities Study shall specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Interconnection System Impact Study report in accordance

with Good Utility Practice and NERC/WECC reliability standards set forth in Section 13.7 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.

8.3 Interconnection Facilities Study Procedures

Transmission Provider shall coordinate the Interconnection Facilities Study with any Affected System pursuant to Section 3.5 above. Transmission Provider shall utilize existing studies to the extent practicable in performing the Interconnection Facilities Study. After receipt of an executed Interconnection Facilities Study Agreement, Transmission Provider shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study report to Interconnection Customer within one hundred twenty (120) Calendar Days with no more than a +/- 20 percent cost estimate contained in the report or, alternatively, within one hundred eighty (180) Calendar Days with no more than a +/- 10 percent 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 report 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 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 twenty-five (25) 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 twenty-five-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 with supporting documentation and databases or data

developed in the preparation of the Interconnection Facilities Study, subject to confidentiality arrangements consistent with Section 13.1.

8.4 Meeting with Transmission Provider

Within twenty (20) Business Days of providing a draft Interconnection Facilities Study report to Interconnection Customer or as soon as practicable, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Interconnection Facilities Study.

8.5 Re-study of Facilities Study

If re-study of the Interconnection Facilities Study is required due to a higher queued project dropping out of the queue or a modification of a higher queued project pursuant to Section 4.4, Transmission Provider shall so notify Interconnection Customer in writing. Such re-study shall take no longer than sixty (60) Calendar Days from the date of notice, unless mutually agreed otherwise. Any cost of re-study shall be borne by the Interconnection Customer.

Section 9. 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 may offer the 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; provided, however, Transmission Provider shall not consider 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 the 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 application for interconnection 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 at its sole discretion: (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 prior to taking title and possession.

Section 10. Optional Interconnection Study

10.1 Optional Interconnection Study Agreement

On or after the date when Interconnection Customer receives the Interconnection System Impact Study results, Interconnection Customer may request, and Transmission Provider shall perform, a reasonable number of Optional Studies. The request shall describe the assumptions that Interconnection Customer wishes Transmission Provider to study within the scope described in Section 10.2. Within five (5) Business Days after receipt of a request for an Optional Interconnection Study or as soon as practicable, Transmission Provider shall provide to Interconnection Customer an Optional Interconnection Study Agreement in the form of Appendix 5.

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 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 Study 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 required technical data and a $10,000 deposit to Transmission Provider which shall be managed as a separate account from Interconnection Customer's initial deposit.

10.2 Scope of Optional Interconnection Study

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's 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, separate and apart from Interconnection Customer's initial deposit. Upon request, Transmission Provider shall provide Interconnection Customer with supporting documentation and databases or data developed in the preparation of the Optional Interconnection Study, subject to confidentiality arrangements consistent with Section 13.1.

Section 11. 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 forty-five (45) Calendar Days after the comments are received or as soon as practicable, Transmission Provider shall tender a draft LGIA, together with draft appendices, attached as Appendix 6. Interconnection Customer shall execute the LGIA and return it with all completed appendices within thirty (30) Calendar Days, unless mutually agreed otherwise.

11.2 Negotiation

Notwithstanding Section 11.1, 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 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 and initiate Dispute Resolution pursuant to Section 13.5. If Interconnection Customer requests termination of the negotiations, but within sixty (60) Calendar Days thereafter fails to 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 or initiated Dispute Resolution pursuant to Section 13.5 within sixty (60) Calendar Days of the Transmission Provider's tender of draft LGIA, it shall be deemed to have withdrawn its Interconnection Request pursuant to Section 3.6. Otherwise, Transmission Provider shall provide to Interconnection Customer a final LGIA within fifteen (15) Business Days after the completion of the negotiation process.

11.3 Execution

Within fifteen (15) Business Days after receipt of the final LGIA, Interconnection Customer shall provide Transmission Provider (A) reasonable evidence of continued Site Control or proof that it has now obtained Site Control or (B) if Site Control has not been demonstrated by reasonable evidence, post $250,000 additional security, which shall be applied toward future construction costs. 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's election, has been achieved: (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) the execution of a contract for the engineering for, procurement of major equipment for, or construction of, the Large Generating Facility; (iv) the execution of a contract for the sale of electric energy or capacity from the Large Generating Facility; or (v) a completed application for an air, water, or land use permit.

Interconnection Customer shall either: (i) execute two originals of the tendered LGIA and return both signed originals to Transmission Provider; or (ii) initiate Dispute Resolution pursuant to Section 13.5.

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.

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 executed LGIA, in order to maintain its In-Service Date, may request that Transmission Provider advance, to the extent possible, 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 but is not under any obligation to do so; provided that, Interconnection Customer commits to pay Transmission Provider: (i) any and all associated expediting costs and (ii) the cost of such Network Upgrades.

12.2.3 Advancing Construction of Network Upgrades that are Part of an Expansion Plan of the Transmission Provider

An Interconnection Customer with an executed LGIA, in order to maintain its In-Service Date, may request that Transmission Provider advance, to the extent possible, 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 the Transmission Provider or other regional transmission planning process, 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 but is not under any obligation to do so; provided that, Interconnection Customer commits to pay Transmission Provider any and all associated expediting costs.

12.2.4 Amended Interconnection System Impact Study

If Transmission Provider can accommodate Interconnection Customer's request pursuant to Section 12.2.2 or 12.2.3, an amended Interconnection System Impact Study will be required to determine the facilities necessary to support the requested In-Service Date. This amended study will include those transmission and Large Generating Facilities that are expected to be in service on or before the requested In-Service Date. Any and all costs and expenses associated with this amended Interconnection System Impact Study shall be borne by Interconnection Customer.

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 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.

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 best of the receiving Party's knowledge, 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 LGIP or the LGIA or violation of any provision of this LGIP; or (6) is required, in accordance with Section 13.1.6, 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 LGIP or 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

In addition to the terms and conditions of the LGIP, Transmission Provider may request Interconnection Customer, its agents, employees or assignee to execute a separate confidentiality agreement. 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 a potential purchaser or assignee 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, the Party providing Confidential Information about the Interconnection Request 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, reliability or completeness, unless otherwise stated. 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, subject to Sections 13.1.6 and 13.1.12. Each Party may use

Confidential Information solely to fulfill its obligations to the other Party under these procedures or its regulatory or municipal 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 this LGIP or 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 Regulatory Agency

Notwithstanding anything in this Section 13.1 to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff, or if a state regulatory agency, 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 should 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 Disclosure to Third Parties

Subject to the exception in Section 13.1.8, any Confidential Information that a Party claims contains competitively sensitive, commercial or financial information shall not be disclosed by the other Party to any person who is 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 including disclosing the Confidential Information to an RTO or ISO or to a sub-regional, regional or national reliability organization, or a regional or interregional transmission 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 Information within Public Domain

Section 13 shall not apply to any information that was or is hereafter in the public domain (except as a result of a Breach of the provisions hereunder).

13.1.11 Destruction of Confidential Information

Transmission Provider shall, at Interconnection Customer's election, destroy (in a confidential manner) or return the Confidential Information

that is no longer needed by Transmission Provider for the Interconnection Request.

13.1.12 CPRA, Brown Act and NERC/WECC Requirements

In addition to the foregoing provisions under this Section 13.1, Interconnection Customer acknowledges that Transmission Provider is subject to disclosure as required by the California Public Records Act, Cal. Govt. Code §§6250 et seq. ("CPRA") and the Ralph M. Brown Act, Cal. Govt. Code §§ 54950 *et. seq*. ("Brown Act"), as well as certain data sharing requirements imposed by NERC and WECC. Any data sharing with NERC or WECC shall be made pursuant to the requirements imposed by NERC and WECC and any applicable data sharing or confidentiality agreements. Requests for information made directly to Transmission Provider pursuant to CPRA will be managed in a similar manner identified within Section 13.1.9. For purposes of the Brown Act, the Parties should adhere to the provisions of Section 13.1 to maintain confidentiality.

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

Transmission Provider shall provide a good faith estimate for each Interconnection Study and Interconnection Customer shall pay the actual costs of the Interconnection Studies. Any difference between the initial deposit and the actual cost of the applicable Interconnection Study shall be paid by or refunded, except as otherwise provided herein, to Interconnection Customer or offset against the cost of any future Interconnection Studies associated with the applicable Interconnection Request prior to the beginning of any such future Interconnection Studies. Any invoices for Interconnection Studies shall include a detailed and itemized accounting of the cost of each Interconnection Study. Interconnection Customer shall pay such undisputed costs in accordance with the requirements set forth in Sections 7, 8 and 10 as applicable. Transmission Provider shall not be obligated to perform or continue to perform any studies unless Interconnection Customer has paid all undisputed amounts in compliance herewith.

13.4 Third Parties Conducting Studies

If (i) at the time of the signing of an Interconnection Study Agreement there is a disagreement as to the estimated time to complete an Interconnection Study, (ii) Interconnection Customer receives notice 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 report nor a notice within the applicable timeframe required under this LGIP for the relevant 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 accordance 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 data bases, study results and all other supporting documentation prepared to date with respect to the Interconnection Request as soon as practicable upon Interconnection Customer's request, subject to the confidentiality provisions in Section 13.1. In any case, such third party contract may be entered into with either Interconnection Customer or Transmission Provider at Transmission Provider's sole discretion. In the case of (iii), where Interconnection Customer never received the Interconnection Study report or notice that additional time is required, the Interconnection Customer maintains its right to initiate 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 draft LGIA (Subcontractors), and the relevant Tariff procedures and protocols as would apply if Transmission Provider were to conduct the Interconnection Study, and further 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 report 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 this LGIP or the unexecuted LGIA, 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 Notice of Dispute shall not be deemed a waiver of the requirements of, nor construed as compliance with, California Government Code Section 910 *et seq.*, or any successor statute.

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 procedures set forth in Section 13.5.2. 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 LGIP or the 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 with 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"); 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 this LGIP or the LGIA and shall have no power to modify or change any provision of this LGIP or the LGIA in any manner. If the Parties have mutually agreed to binding arbitration, 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 or federal or state law.

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 Governing Law and Venue

This LGIP and the LGIA, and all agreements hereunder shall be interpreted, governed by, and enforced in accordance with the laws of the State of California, as if executed and to be performed wholly within the State of California.

Any dispute arising out of or relating to this LGIP and the LGIA shall be brought in a state or federal court in the County of Los Angeles in the State of California. Each Party irrevocably agrees to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of *forum non conveniens.*

13.5.6 Non-Jurisdictional Entity

Notwithstanding the form of this LGIP or the LGIA and any reference or inclusion of these documents within the Tariff, Transmission Provider is a non-public utility under section 201(f) of the Federal Power Act, 16 U.S.C. §824(f), and is subject to FERC jurisdiction only in limited circumstances pursuant to 16 U.S.C. §824j-1.

13.6 Municipal Tax-Exempt Bonds

13.6.1 Transmission Providers That Own Facilities Financed by Tax Exempt and Tax Credit Bonds

This provision is applicable to those facilities that Transmission Provider has financed with municipal tax-exempt bonds, Build America Bonds (BAB), Clean Renewable Energy Bonds ("CREBS" and "New CREBs"), Qualified Energy Conservation Bonds (QECB) and other qualified tax credit bonds (collectively "Tax Exempt and Tax Credit Bonds"). Notwithstanding any other provision of this LGIP or the LGIA, Transmission Provider shall not be required to provide Interconnection Service to Interconnection Customer pursuant to this LGIP or the LGIA if the provision of Transmission Service would jeopardize the tax-exempt status, volume cap, or any federal subsidy of any Tax Exempt or Tax Credit Bond 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 bond identified within Sections 13.6.1 used to finance its facilities that would be used in providing such Interconnection Service, it shall advise the 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 Article 5 of the Transmission Provider's Tariff.

13.7 Conformance with NERC and WECC Reliability Requirements

LADWP will require all Interconnection Customers to abide by the Applicable Reliability Standards and WECC Criteria including, but not limited to, the following:

1. Coordination of joint studies of new facilities and their impacts on the interconnected transmission systems.
2. Notification of new or modified facilities to others (those responsible for the reliability of the interconnected transmission systems) as soon as feasible.
3. Voltage level and MW and MVAR capacity or demand at point of connection.
4. Breaker duty and surge protection.
5. System protection and coordination.
6. Metering and telecommunications.

7. Grounding and safety issues.
8. Insulation and insulation coordination.
9. Voltage, Reactive Power, and power factor control.
10. Power quality impacts.
11. Equipment Ratings.
12. Synchronizing of facilities.
13. Maintenance coordination.
14. Operational issues (abnormal frequency and voltages).
15. Inspection requirements for existing or new facilities.
16. Communications and procedures during normal and emergency operating conditions.

Each of the items listed above will be addressed in LADWP's study(ies), as applicable to the specific interconnection request. More general requirements are identified within various sections of this LGIP.

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. Anticipated In-Service Date for the proposed new Large Generating Facility (Day, Month, and Year);

   e. Anticipated Commercial Operation Date (Day, Month, and Year);

   f. Name, address, telephone number, and e-mail address of Interconnection Customer's contact person;

   g. Approximate location of the proposed Point of Interconnection;

h. Interconnection Customer Data including the information requested in Attachment A of Appendix 1;

i. One-line diagram/configuration layout;

j. GIS site coordinates of the proposed Large Generating Facility; and

k. If the proposed Large Generating Facility is a wind or solar or hybrid facility, acknowledgement and compliance with the provisions set forth in Appendix 7.

6. Applicable deposit amount as specified in Section 3.1 of 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 _____ °C _____ Voltage _____
Power Factor _____
Speed (RPM) _____ Connection (e.g. Wye) _____
Short Circuit Ratio _____ Frequency, Hertz _____
Stator Amperes at Rated kVA_____ Field Volts _____
Max Turbine MW _____°C _____

COMBINED TURBINE-GENERATOR-EXCITER INERTIA DATA

Inertia Constant, H = _____ kW sec/kVA
Moment-of-Inertia, WR^2 = _____ lb. $ft.^2$

NOTE: This Attachment A to Appendix 1 Interconnection Request must be completed for each generator that falls within this Interconnection Request if the collection system involves equipment with combined characteristics of two or more types of generators.

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}	_____	T'_{qo}	_____
Three-Phase Short Circuit Transient	T'_{d3}	_____	T'_{q}	_____
Line to Line Short Circuit Transient	T'_{d2}	_____		
Line to Neutral Short Circuit Transient	T'_{d1}	_____		
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): _____
(*) I_2^2t 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.

APPENDIX 2 to LGIP
RESERVED

APPENDIX 3 to LGIP
INTERCONNECTION SYSTEM IMPACT STUDY AGREEMENT

THIS AGREEMENT ("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 the CITY OF LOS ANGELES acting by and through the DEPARTMENT OF WATER AND POWER, a department organized and existing under the Charter of the City of Los Angeles, a municipal corporation of the State of California ("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 an Interconnection System Impact Study to assess the impact of interconnecting the Large Generating Facility to the 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 in Transmission Provider's LGIP.

2.0 Interconnection Customer elects and Transmission Provider shall cause to be performed an Interconnection System Impact Study consistent with Section 7.0 of this LGIP in accordance with the Tariff.

3.0 The scope of the Interconnection System Impact Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Interconnection System Impact 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 the 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 Interconnection Customer System Impact Study. If Interconnection Customer modifies its Interconnection Request, or any technical information provided therein, the time to complete the Interconnection System Impact Study may be extended.

5.0 The Interconnection System Impact Study report shall provide the following information:

(i) identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;

(ii) identification of any thermal overload or voltage limit violations resulting from the interconnection;

(iii) identification of any instability or inadequately damped response to system disturbances resulting from the interconnection;

(iv) identification of any magnitude and impacts of harmonics resulting from the interconnection;

(v) if required by Transmission Provider, identification of any impacts of subsynchronous resonance (SSR) resulting from the interconnection; and

(vi) 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/faulty duty, instability, power flow, reactive margin and harmonics and/or sub-synchronous resonance (SSR) issues.

6.0 Any remaining balance from Interconnection Customer's initial deposit of $250,000 shall be used towards the performance of the Interconnection System Impact Study. Transmission Provider's good faith estimate for the time of completion of the Interconnection System Impact Study is _____, 20___, and its good faith cost estimate is $_____. If there is any difference between the Transmission Provider's good faith estimate and the actual cost of the study, the Transmission Provider will perform a true-up and shall debit or credit Interconnection Customer's initial deposit, as appropriate. If the remaining balance from the initial deposit is insufficient to cover all of the costs and expenses associated with the Interconnection System Impact Study including any re-study(ies), then the Transmission Provider shall invoice the Interconnection Customer for the good faith estimate and Interconnection Customer shall submit payment no later than fifteen (15) Calendar Days after it receives the invoice. If Transmission Provider does not receive payment for the

estimated balance from Interconnection Customer within thirty (30) days, the Interconnection Customer shall have five (5) Business Days to cure non-payment; provided that, if Interconnection Customer fails to cure its non-payment within the five (5) Business Days, Interconnection Customer's Interconnection Request shall be treated by Transmission Provider as withdrawn in accordance with Section 3.6 of the LGIP and Interconnection Customer shall be deemed in default of this LGIA pursuant to Article 17.

Upon receipt of the executed Interconnection System Impact Study Agreement from Interconnection Customer, Transmission Provider shall deduct the estimated cost of the study against the Interconnection Customer's initial deposit and Interconnection Customer shall pay the actual costs of the Interconnection System Impact Study from its initial deposit.

If there is any difference between Transmission Provider's good faith estimate and the actual cost of the study, the Transmission Provider will perform a true-up and shall debit or credit Interconnection Customer's initial deposit, as appropriate.

7.0 Miscellaneous Provisions.

7.1 Indemnification. The Parties shall at all times indemnify, defend, and hold harmless the other Parties, their respective officials (elected or appointed), Boards, officers, managers, agents, employees, assigns and successors in interest, from and against any and all suits, causes of action, claims, charges, damages, demands, judgments, civil fines, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and costs of experts and consultants), or losses of any kind or nature whatsoever including, without limitation, business interruption, impairment of contract, death, bodily injury or personal injury to any person, damage or destruction or loss of use to or of any property (financial, physical, or intellectual) by or to third parties (collectively, "Losses") arising by reason of or incident to or directly or indirectly related to the other Party's acts, errors or omissions, performance or non-performance or Breach of any of their obligations of or under this Agreement, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

7.2 Accuracy of Information. The Interconnection Customer represents and warrants that, to the best of its knowledge and in accordance with Good Utility Practice, the information that it provides to the Transmission Provider in connection with this Interconnection System Impact Study Agreement and the Interconnection System Impact Study is accurate and complete. The Interconnection Customer acknowledges and accepts that it has a continuing obligation under this Interconnection System Impact

Study Agreement to promptly provide the Transmission Provider with any additional information required to update the information previously provided within no less than forty-eight (48) hours.

7.3 Disclaimer of Warranty; Limitation of Liability and Release. In performing or causing the Interconnection System Impact Study to be performed, the Transmission Provider may rely on the information provided by the Interconnection Customer and third parties, which Transmission Provider may not have any control over the veracity or accuracy of such information. For data, information and other studies submitted by the Interconnection Customer or obtained from third parties or industry sources, TRANSMISSION PROVIDER HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, WHETHER ARISING BY OPERATION OF LAW, COURSE OF PERFORMANCE OR DEALING, CUSTOM, USAGE IN THE ELECTRIC INDUSTRY, OR OTHERWISE, INCLUDING WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

FURTHERMORE, TRANSMISSION PROVIDER SHALL NOT BE LIABLE TO INTERCONNECTION CUSTOMER UNDER ANY CIRCUMSTANCES, UNDER ANY THEORY OF LIABILITY AT LAW OR IN EQUITY, WHETHER SUCH LIABILITY IS KNOWN OR UNKNOWN AT THE TIME OF SIGNING THIS AGREEMENT, OR ANY TIME THEREAFTER, FOR ANY DEATH, BODILY INJURY, AND LOSS OF USE OR DAMAGE OR DESTRUCTION OF ANY PROPERTY OR ANY BUSINESS INTERRUPTION, TO A THIRD PARTY OR TO INTERCONNECTION CUSTOMER.

INTERCONNECTION CUSTOMER DOES SO HEREBY ACKNOWLEDGE THAT IT HAS READ AND COMPREHENDED THE FOLLOWING PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 (OR ITS SUCCESSOR STATUTE) WHICH PROVIDES:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, INTERCONNECTION CUSTOMER HEREBY EXPRESSLY WAIVES ANY RIGHTS IT MAY

HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMOM LAW PRINCIPLES OF SIMILAR EFFECT.

Upon execution of this Interconnection System Impact Study Agreement, the Interconnection Customer acknowledges and accepts that it has not relied on any representations or warranties not specifically set forth herein.

7.4 Representations and Warranties. The Interconnection Customer represents and warrants that it is free to enter into this Agreement and to perform each of the terms and covenants of it. The Interconnection Customer represents and warrants that it has undertaken or will cooperate with Transmission Provider in undertaking any environmental review required for its proposed project, including but not limited to the California Environmental Quality Act (CEQA) as amended and stated within Cal. Pub. Res. Code §§ 21000-21178 or any successor statute; provided however, Transmission Provider's undertaking and completion of the System Impact Study, or issuance of a system impact study report, shall neither be construed as a guarantee of an interconnection agreement nor an approval of the proposed project. The Interconnection Customer further represents and warrants it is not restricted or prohibited contractually or otherwise, from entering into and performing this agreement, and that the execution and performance of this Agreement by Interconnection Customer will not constitute a violation or breach of any other agreement between it and any other person or entity.

7.5 Force Majeure. If a Force Majeure Event prevents the Transmission Provider from fulfilling any obligations under this Interconnection System Impact Study Agreement, Transmission Provider shall promptly notify the Interconnection Customer in writing, and shall suspend or modify its performance under said agreement until the Force Majeure Event, to the extent that the effect of the Force Majeure Event cannot be mitigated by use of Good Utility Practice or commercially reasonable efforts. For purposes of this Interconnection System Impact Study Agreement, a "Force Majeure Event" means any event or circumstance caused by reason of Force Majeure that prevents or delays Transmission Provider's performance under this Agreement which (a) is beyond the reasonable control of the Transmission Provider and (b) was unable to be prevented or provided against by exercising Good Utility Practice or commercially reasonable efforts. In the event that the Transmission Provider suspended its performance, it shall resume its obligations under this Interconnection System Impact Study Agreement as soon as reasonably possible upon resolution of the Force Majeure Event. In the event that the Parties mutually agree to modify Transmission Provider's performance as a result

of the Force Majeure Event, this Interconnection System Impact Study Agreement shall be modified in accordance with Section 7.12 herein.

7.6 Assignment. This Interconnection System Impact Study Agreement shall not be assigned, conveyed or transferred to any third party unless the provisions of Section 4.3 of the LGIP have been satisfied and Transmission Provider consents to such assignment, conveyance or transfer in writing.

7.7 Governing Law. This Agreement was made and entered into in the City of Los Angeles and shall be governed by, interpreted and enforced in accordance with the laws of the State of California and the City of Los Angeles, without regard to conflict of law principles.

7.8 Venue. All litigation arising out of, or relating to this Interconnection System Impact Study Agreement, shall be brought in a court of competent jurisdiction located in Los Angeles County, in the State of California. The Parties irrevocably agree to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of *forum non conveniens.*

7.9 Waivers. Any waiver, which such waiver must be in writing, at any time by any Party of its rights with respect to a default under this Interconnection System Impact Study Agreement, or with respect to any other matter arising in connection with said agreement, shall not be deemed a waiver with respect to any subsequent default or other mater arising in connection therewith. Any delay, short of the statutory period of limitation in asserting or enforcing any right, shall not be deemed a waiver of such right.

7.10 Binding Effect. This Interconnection System Impact Study Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors or assigns, subject to Sections 4.3 of the LGIP.

7.11 Attorney Fees and Costs. Both Parties agree that in any action to enforce the terms of this Agreement that each Party shall be responsible for its own attorney fees and costs.

7.12 Entire Agreement. This Interconnection System Impact Study Agreement contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter herein. This Agreement may be amended only by a written document signed by both Parties.

8.0 Termination or Withdrawal. Any request to terminate or withdraw from a study, expressly excepting any request for an extension of time on the Interconnection System Impact Study not to exceed one year from the date that the Transmission Provider commenced the study, shall be deemed as a withdrawal of the Interconnection Request in accordance with Section 3.6 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.

DEPARTMENT OF WATER AND POWER OF
THE CITY OF LOS ANGELES

By: _____

Title: _____

Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

Attachment A To Appendix 3
Interconnection System Impact
Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE INTERCONNECTION SYSTEM IMPACT STUDY

The Interconnection System Impact Study will be based upon the Scoping Meeting held on _____ and any assumptions contained within the Interconnection Customer's response to any and all data request(s) including the completed Attachment A to Appendices 1 and 3, and the following assumptions:

Designation of Point of Interconnection and configuration to be studied:

Designation of alternative Point(s) of Interconnection and configuration which Transmission Provider will evaluate only if a re-designation is required, subject to Sections 3.3.4, 7.2 and 7.6 of the LGIP:

Dynamic data (to be provided by Interconnection Customer) for each generator, governor, exciter, power system stabilizer, wind turbine and/or solar photovoltaic facility must be supplied in GE PSLF format.

[The above assumptions are to be completed by Interconnection Customer, and any other assumptions that might be provided by Interconnection Customer and/or Transmission Provider should be listed in the space below]

A System Impact Study will consist of a power analysis and a short-circuit analysis, each of which will be conducted and evaluated in accordance with the data provided in Appendices 1 and 3.

Power Flow Studies will be performed by using the General Electric (GE) PSLF program.

Short-Circuit Study will be conducted by using the Siemens PTI PSS®E.

Note: All information below shall be considered preliminary at this time as it is subject to detailed design and verification later

1. **One-line Diagram/Configuration Layout (to be provided by the Interconnection Customer)**

2. **Interconnection Transmission Line Description**

Interconnection Line	R1 p.u. on 100 MVA base	X1 p.u on 100 MVA base	B p.u on 100 MVA base	R0 p.u on 100 MVA base	X0 p.u. on 100 MVA base

Interconnection Line	Length (mi.)	Conductor Type & Size	Normal Rating (MVA)	Emergency Rating (MVA)

3. **Collector Substation Transformer(s)**

Transformer Bank	TransformerRating (MVA)	R1 p.u. on 100 MVA base	X1 p.u. on 100 MVA base	R0 p.u. on 100 MVA base	X0 p.u. on 100 MVA base			
	Vnorm (from)	Vnorm (to)	Tap (from)	Tap (to)	Variable Tap	Tap (max)	Tap (min)	Tap Step Size

4. **Collector System Cable Equivalent Impedance**

R1 p.u.	X1 p.u.	B p.u	R0 p.u	X0 p.u.	Rating

on 100 MVA base	on 100 MVA base	on 100 MVA base	on 100 MVA base	on 100 MVA base	(MVA)

5. **Plant-level Reactive Power Compensation**

Shunt Capacitor Power Compensation	Size (MVA)

Shunt Reactor Power Compensation	Size (MVA)

6. **Generator Step up Transformer Equivalent**

Transformer Bank	TransformerRating (MVA)	R1 p.u. on 100 MVA base	X1 p.u. on 100 MVA base	R0 p.u. on 100 MVA base	X0 p.u. on 100 MVA base			
	Vnorm (from)	Vnorm (to)	Tap (from)	Tap (to)	Variable Tap	Tap (max)	Tap (min)	Tap Step Size

7. **Generator Equivalent**

Unit	Pmax MW	Pgen MW	Pmin MW	Qmax MVars	Qmin MVars	Regulated Bus

Unit	Unit Rating (MVA)	X''1 on GEN rated MVA base (in pu)	X''0 on GEN rated MVA base (in pu)	X''1 on 100 MVA base (in pu)	X''0 on 100 MVA base (in pu)	Generating Facility Auxiliary Load

APPENDIX 4 to LGIP
INTERCONNECTION FACILITIES STUDY AGREEMENT

THIS AGREEMENT ("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 the CITY OF LOS ANGELES acting by and through the DEPARTMENT OF WATER AND POWER, a department organized and existing under the Charter of the City of Los Angeles, a municipal corporation of the State of California ("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 an Interconnection System Impact Study (the "System Impact 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 Interconnection System Impact 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 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/fault duty, instability, power flow, reactive margin and, if required by Transmission Provider, harmonics and subsynchronous resonance (SSR) issues identified in the Interconnection System Impact Study.

5.0 Any remaining balance from Interconnection Customer's initial deposit of $250,000 shall be used towards the performance of the Interconnection Facilities Study. If the remaining balance from the initial deposit is insufficient to cover all of the costs and expenses associated with the Interconnection Facilities Study, then the Transmission Provider shall invoice the Interconnection Customer for the difference between the remaining balance and Transmission Provider's good faith estimate and Interconnection Customer shall submit payment within the time identified on the invoice. If Transmission Provider does not receive payment for the estimated balance from Interconnection Customer as required, the Interconnection Customer shall have the time prescribed in Section 3.6 to cure non-payment; provided that, if Interconnection Customer fails to cure its non-payment, Interconnection Customer's Interconnection Request shall be treated by Transmission Provider as withdrawn in accordance with Section 3.6 of the LGIP and Interconnection Customer shall be deemed in default of this LGIA pursuant to Article 17. The time for completion of the Interconnection Facilities Study is specified in Attachment A.

Transmission Provider's good faith cost estimate is $_____. If the good faith estimate provided by the Transmission Provider is less than the actual costs of the Interconnection Facilities Study and Interconnection Customer's remaining balance of its initial deposit is insufficient to cover all estimated or actual costs, then the Transmission Provider shall invoice Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection Facilities Study each month. Interconnection Customer shall pay invoiced amounts within thirty (30) Calendar Days of receipt of invoice, subject to the same terms and conditions set forth in the above paragraph of this Section 5.0.

Upon receipt of the executed Interconnection Facilities Study Agreement from Interconnection Customer, Transmission Provider shall deduct the estimated cost of the study against any remaining balance of Interconnection Customer's initial deposit and Interconnection Customer shall pay the actual costs of the

Interconnection Facilities Study from its initial deposit; provided that, if the balance of Interconnection Customer's initial deposit is not sufficient to cover the actual costs of the study, Interconnection Customers shall pay for any study cost including re-study(ies) in accordance with the provisions of this Section 5.0.

6.0 Miscellaneous Provisions.

6.1 Indemnification. The Parties shall at all times indemnify, defend, and hold harmless the other Parties, their respective officials (elected or appointed), Boards, officers, managers, agents, employees, assigns and successors in interest, from and against any and all suits, causes of action, claims, charges, damages, demands, judgments, civil fines, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and costs of experts and consultants), or losses of any kind or nature whatsoever including, without limitation, business interruption, impairment of contract, death, bodily injury or personal injury to any person, damage or destruction or loss of use to or of any property (financial, physical, or intellectual) by or to third parties (collectively, "Losses") arising by reason of or incident to or directly or indirectly related to the other Party's acts, errors or omissions, performance or non-performance or Breach of any of their obligations of or under this Agreement, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

6.2 Accuracy of Information. The Interconnection Customer represents and warrants that, to the best of its knowledge and in accordance with Good Utility Practice, the information that it provides to the Transmission Provider in connection with this Interconnection Facilities Study Agreement and the Interconnection Facilities Study is accurate and complete. The Interconnection Customer acknowledges and accepts that it has a continuing obligation under this Interconnection Facilities Study Agreement to promptly provide the Transmission Provider with any additional information required to update the information previously provided within no less than forty-eight (48) hours.

6.3 Disclaimer of Warranty; Limitation of Liability and Release. In performing or causing the Interconnection Facilities Study to be performed, the Transmission Provider may rely on the information provided by the Interconnection Customer and third parties, which Transmission Provider may not have any control over the veracity or accuracy of such information. For data, information and other studies submitted by the Interconnection Customer or obtained from third parties or industry sources, TRANSMISSION PROVIDER HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, WHETHER ARISING BY OPERATION OF LAW, COURSE

OF PERFORMANCE OR DEALING, CUSTOM, USAGE IN THE ELECTRIC INDUSTRY, OR OTHERWISE, INCLUDING WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

FURTHERMORE, TRANSMISSION PROVIDER SHALL NOT BE LIABLE TO INTERCONNECTION CUSTOMER UNDER ANY CIRCUMSTANCES, UNDER ANY THEORY OF LIABILITY AT LAW OR IN EQUITY, WHETHER SUCH LIABILITY IS KNOWN OR UNKNOWN AT THE TIME OF SIGNING THIS AGREEMENT, OR ANY TIME THEREAFTER, FOR ANY DEATH, BODILY INJURY, AND LOSS OF USE OR DAMAGE OR DESTRUCTION OF ANY PROPERTY OR ANY BUSINESS INTERRUPTION, TO A THIRD PARTY OR TO INTERCONNECTION CUSTOMER.

INTERCONNECTION CUSTOMER DOES SO HEREBY ACKNOWLEDGE THAT IT HAS READ AND COMPREHENDED THE FOLLOWING PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 (OR ITS SUCCESSOR STATUTE) WHICH PROVIDES:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, INTERCONNECTION CUSTOMER HEREBY EXPRESSLY WAIVES ANY RIGHTS IT MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMOM LAW PRINCIPLES OF SIMILAR EFFECT.

Upon execution of this Interconnection Facilities Study Agreement, the Interconnection Customer acknowledges and accepts that it has not relied on any representations or warranties not specifically set forth herein.

6.4 Representations and Warranties. The Interconnection Customer represents and warrants that it is free to enter into this Agreement and to perform each of the terms and covenants of it. The Interconnection Customer further represents and warrants that it is not restricted or prohibited contractually or otherwise, from entering into and performing this

Agreement, and that the execution and performance of this Agreement by Interconnection Customer will not constitute a violation or breach of any other agreement between it and any other person or entity.

6.5 Force Majeure. If a Force Majeure Event prevents the Transmission Provider from fulfilling any obligations under this Interconnection Facilities Study Agreement, Transmission Provider shall promptly notify the Interconnection Customer in writing, and shall suspend or modify its performance under said agreement until the Force Majeure Event, to the extent that the effect of the Force Majeure Event cannot be mitigated by use of Good Utility Practice or commercially reasonable efforts. For purposes of this Interconnection Facilities Study Agreement, a "Force Majeure Event" means any event or circumstance caused by reason of Force Majeure that prevents or delays Transmission Provider's performance under this Agreement which (a) is beyond the reasonable control of the Transmission Provider and (b) was unable to be prevented or provided against by exercising Good Utility Practice or commercially reasonable efforts. In the event that the Transmission Provider suspended its performance, it shall resume its obligations under this Interconnection Facilities Study Agreement as soon as reasonably possible upon resolution of the Force Majeure Event. In the event that the Parties mutually agree to modify Transmission Provider's performance as a result of the Force Majeure Event, this Interconnection Facilities Study Agreement shall be modified in accordance with Section 6.12 herein.

6.6 Assignment. This Interconnection Facilities Study Agreement shall not be assigned, conveyed or transferred to any third party unless the provisions of Section 4.3 have been satisfied and Transmission Provider consents to such assignment, conveyance or transfer in writing.

6.7 Governing Law. This Agreement was made and entered into in the City of Los Angeles and shall be governed by, interpreted and enforced in accordance with the laws of the State of California and the City of Los Angeles, without regard to conflict of law principles.

6.8 Venue. All litigation arising out of, or relating to this Interconnection Facilities Study Agreement, shall be brought in a court of competent jurisdiction located in Los Angeles County, in the State of California. The Parties irrevocably agree to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of *forum non conveniens.*

6.9 Waivers. Any waiver, which such waiver must be in writing, at any time by any Party of its rights with respect to a default under this Interconnection Facilities Study Agreement, or with respect to any other matter arising in connection with said agreement, shall not be deemed a waiver with respect to any subsequent default or other mater arising in connection therewith. Any delay, short of the statutory period of limitation in asserting or enforcing any right, shall not be deemed a waiver of such right.

6.10 Binding Effect. This Interconnection Facilities Study Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors or assigns, subject to Sections 4.3 of the LGIP.

6.11 Attorney Fees and Costs. Both Parties agree that in any action to enforce the terms of this agreement that each Party shall be responsible for its own attorney fees and costs.

6.12 Entire Agreement. This Interconnection Facilities Study Agreement contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter herein. This agreement may be amended only by a written document signed by both Parties.

7.0 Termination or Withdrawal. Any request to terminate or withdraw from a study, expressly excepting any request for an extension of time on the Interconnection Facilities Study not to exceed one year from the date that the Transmission Provider commenced the study, shall be deemed as a withdrawal of the Interconnection Request in accordance with Section 3.6 of the LGIP.

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.

DEPARTMENT OF WATER AND POWER OF
THE CITY OF LOS ANGELES

By: _____

Title: _____

Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

Attachment A To Appendix 4
Interconnection Facilities
Study Agreement

INTERCONNECTION CUSTOMER SCHEDULE ELECTION FOR CONDUCTING THE INTERCONNECTION FACILITIES STUDY

Transmission Provider shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study report to Interconnection Customer within the following number of days after of receipt of an executed copy of this Interconnection Facilities Study Agreement:

- one hundred twenty (120) 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.

Notwithstanding any margin of error identified above for any cost estimate, Interconnection Customer shall be responsible for any and all cost related or connected to the Interconnection Request, Transmission Provider's Interconnection Facilities and necessary upgrades, and Interconnection Customer's Interconnection Facilities.

Attachment B to Appendix 4
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 the Transmission Provider's service area?

_____Yes _____No Local provider:

_____

Please provide proposed schedule dates:

Begin Construction	Date: _____
Generator step-up transformer receives back feed power	Date: _____
Generation Testing	Date: _____
Commercial Operation	Date: _____

APPENDIX 5 to LGIP
OPTIONAL INTERCONNECTION STUDY AGREEMENT

THIS AGREEMENT ("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 the CITY OF LOS ANGELES acting by and through the DEPARTMENT OF WATER AND POWER, a department organized and existing under the Charter of the City of Los Angeles, a municipal corporation of the State of California ("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 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 Interconnection System Impact 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 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 provided by Interconnection Customer to be attached to this Agreement as Attachment A.

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 its 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 _____, 20_____.

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 Provisions.

7.1 Indemnification. The Interconnection Customer shall at all times indemnify, defend, and hold harmless the Transmission Provider, its officials (elected or appointed), Boards, officers, managers, agents, employees, assigns and successors in interest, from and against any and all suits, causes of action, claims, charges, damages, demands, judgments, civil fines, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and costs of experts and consultants), or losses of any kind or nature whatsoever including, without limitation, business interruption, death, bodily injury or personal injury to any person, damage or destruction or loss of use to or of any property (financial, physical, or intellectual) by or to third parties (collectively "Losses") arising by reason of or incident to or directly or indirectly related to Transmission Provider performing or causing to be performed the Optional Interconnection Study in whole or in part under this Agreement on behalf of the Interconnection Customer, except in cases of gross negligence or intentional wrongdoing by the Transmission Provider.

7.2 Accuracy of Information. The Interconnection Customer represents and warrants that, to the best of its knowledge and in accordance with Good

Utility Practice, the information that it provides to the Transmission Provider in connection with this Optional Interconnection Study Agreement and the Interconnection System Impact Study is accurate and complete. The Interconnection Customer acknowledges and accepts that it has a continuing obligation under this Interconnection System Impact Study Agreement to promptly provide the Transmission Provider with any additional information required to update the information previously provided within no less than forty-eight (48) hours.

7.3 Disclaimer of Warranty; Limitation of Liability and Release. In performing or causing the Optional Interconnection Study to be performed, the Transmission Provider may rely on the information provided by the Interconnection Customer and third parties, which Transmission Provider may not have any control over the veracity or accuracy of such information. For data, information and other studies submitted by the Interconnection Customer or obtained from third parties or industry sources, TRANSMISSION PROVIDER HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, WHETHER ARISING BY OPERATION OF LAW, COURSE OF PERFORMANCE OR DEALING, CUSTOM, USAGE IN THE ELECTRIC INDUSTRY, OR OTHERWISE, INCLUDING WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

FURTHERMORE, TRANSMISSION PROVIDER SHALL NOT BE LIABLE TO INTERCONNECTION CUSTOMER UNDER ANY CIRCUMSTANCES, UNDER ANY THEORY OF LIABILITY AT LAW OR IN EQUITY, WHETHER SUCH LIABILITY IS KNOWN OR UNKNOWN AT THE TIME OF SIGNING THIS AGREEMENT, OR ANY TIME THEREAFTER, FOR ANY DEATH, BODILY INJURY, AND LOSS OF USE OR DAMAGE OR DESTRUCTION OF ANY PROPERTY OR ANY BUSINESS INTERRUPTION, TO A THIRD PARTY OR TO INTERCONNECTION CUSTOMER.

INTERCONNECTION CUSTOMER DOES SO HEREBY ACKNOWLEDGE THAT IT HAS READ AND COMPREHENDED THE FOLLOWING PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 (OR ITS SUCCESSOR STATUTE) WHICH PROVIDES:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE

MATERIALLY AFFECTED THIS SETTLEMENT WITH DEBTOR."

BEING AWARE OF SAID CODE SECTION, INTERCONNECTION CUSTOMER HEREBY EXPRESSLY WAIVES ANY RIGHTS IT MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMOM LAW PRINCIPLES OF SIMILAR EFFECT.

Upon execution of this Optional Interconnection Study Agreement, the Interconnection Customer acknowledges and accepts that it has not relied on any representations or warranties not specifically set forth herein.

7.4 Representations and Warranties. The Interconnection Customer represents and warrants that it is free to enter into this Agreement and to perform each of the terms and covenants of it. The Interconnection Customer further represents and warrants that it is not restricted or prohibited contractually or otherwise, from entering into and performing this Agreement, and that the execution and performance of this Agreement by Interconnection Customer will not constitute a violation or breach of any other agreement between it and any other person or entity.

7.5 Force Majeure. If a Force Majeure Event prevents the Transmission Provider from fulfilling any obligations under this Optional Interconnection Study Agreement, Transmission Provider shall promptly notify the Interconnection Customer in writing, and shall suspend or modify its performance under said agreement until the Force Majeure Event, to the extent that the effect of the Force Majeure Event cannot be mitigated by use of Good Utility Practice or commercially reasonable efforts. For purposes of this Optional Interconnection Study Agreement, a "Force Majeure Event" means any event or circumstance caused by reason of Force Majeure that prevents or delays Transmission Provider's performance under this Agreement which (a) is beyond the reasonable control of the Transmission Provider and (b) was unable to be prevented or provided against by exercising Good Utility Practice or commercially reasonable efforts. In the event that the Transmission Provider suspended its performance, it shall resume its obligations under this Optional Interconnection Study Agreement as soon as reasonably possible upon resolution of the Force Majeure Event. In the event that the Parties mutually agree to modify Transmission Provider's performance as a result of the Force Majeure Event, this Optional Interconnection Study Agreement shall be modified in accordance with Section 7.12 herein.

7.6 Assignment. This Optional Interconnection Study Agreement shall not be assigned, conveyed or transferred to any third party unless the provisions of Section 4.3 of the LGIP have been satisfied and Transmission Provider consents to such assignment, conveyance or transfer in writing.

7.7 Governing Law. This Agreement was made and entered into in the City of Los Angeles and shall be governed by, interpreted and enforced in accordance with the laws of the State of California and the City of Los Angeles, without regard to conflict of law principles.

7.8 Venue. All litigation arising out of, or relating to this Optional Interconnection Study Agreement, shall be brought in a court of competent jurisdiction located in Los Angeles County, in the State of California. The Parties irrevocably agree to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of *forum non conveniens.*

7.9 Waivers. Any waiver, which such waiver must be in writing, at any time by any Party of its rights with respect to a default under this Optional Interconnection Study Agreement, or with respect to any other matter arising in connection with said agreement, shall not be deemed a waiver with respect to any subsequent default or other mater arising in connection therewith. Any delay, short of the statutory period of limitation in asserting or enforcing any right, shall not be deemed a waiver of such right.

7.10 Binding Effect. This Optional Interconnection Study Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors or assigns, subject to Sections 4.3 of the LGIP.

7.11 Attorney Fees and Costs. Both Parties agree that in any action to enforce the terms of this Agreement that each Party shall be responsible for its own attorney fees and costs.

7.12 Entire Agreement. This Optional Interconnection Study Agreement contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter herein. This Agreement may be amended only by a written document signed by both Parties.

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.

DEPARTMENT OF WATER AND POWER OF
THE CITY OF LOS ANGELES

By: _____

Title: _____

Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

APPENDIX 6 TO LGIP

FORM LARGE GENERATOR INTERCONNECTION AGREEMENT

Appendix 6 to the Large Generator Interconnection Procedures

FORM OF LARGE GENERATOR

INTERCONNECTION AGREEMENT (LGIA)

TABLE OF CONTENTS

Page

Recitals ..... - 1 -

Article 1. Definitions ..... - 2 -

Article 2. Effective Date, Term, and Termination ..... - 11 -
2.1 Effective Date ..... - 11 -
2.2 Term of Agreement ..... - 11 -
2.3 Termination Procedures ..... - 11 -
2.3.1 Written Notice ..... - 12 -
2.3.2 Default ..... - 12 -
2.4 Termination Costs ..... - 12 -
2.5 Disconnection ..... - 13 -
2.6 Survival ..... - 13 -

Article 3. Reserved ..... - 13 -

Article 4. Scope of Service ..... - 13 -
4.1 Interconnection Product Options ..... - 13 -
4.1.1 Energy Resource Interconnection Service ..... - 14 -
4.1.2 Network Resource Interconnection Service ..... - 14 -
4.2 Provision of Service ..... - 16 -
4.3 Performance Standards ..... - 16 -
4.4 No Transmission Service ..... - 17 -
4.5 Interconnection Customer Provided Services ..... - 17 -

Article 5. Interconnection Facilities Engineering, Procurement, and Construction ..... - 17 -
5.1 Options ..... - 17 -
5.1.1 Standard Option ..... - 17 -
5.1.2 Reserved ..... - 17 -
5.1.3 Option to Build ..... - 17 -
5.1.4 Negotiated Option ..... - 18 -
5.2 General Conditions Applicable to Option to Build ..... - 18 -
5.3 Reserved ..... - 19 -
5.4 Power System Stabilizers ..... - 19 -
5.5 Equipment Procurement ..... - 20 -
5.6 Construction Commencement ..... - 20 -
5.7 Work Progress ..... - 20 -
5.8 Information Exchange ..... - 21 -
5.9 Limited Operation ..... - 21 -
5.10 Interconnection Customer's Interconnection Facilities (..... - 21 -

5.10.1 Interconnection Customer's Interconnection Facility Specifications ... - 21 -
5.10.2 Transmission Provider's Review ..... - 22 -
5.10.3 ICIF Construction ..... - 22 -
5.11 Transmission Provider's Interconnection Facilities Construction ..... - 22 -
5.12 Access Rights ..... - 22 -
5.13 Lands of Other Property Owners ..... - 23 -
5.14 Permits ..... - 23 -
5.15 Early Construction of Base Case Facilities ..... - 23 -
5.16 Suspension ..... - 23 -
5.17 Taxes ..... - 24 -
5.17.1 Interconnection Customer Payments Not Taxable ..... - 24 -
5.17.2 Representations and Covenants ..... - 25 -
5.17.3 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon the Transmission Provider ..... - 25 -
5.17.4 Tax Gross-Up Amount ..... - 26 -
5.17.5 Private Letter Ruling or Change or Clarification of Law ..... - 27 -
5.17.6 Subsequent Taxable Events ..... - 27 -
5.17.7 Contests ..... - 27 -
5.17.8 Refund ..... - 28 -
5.17.9 Taxes Other Than Income Taxes ..... - 29 -
5.17.10 Transmission Owners Who Are Not Transmission Providers ..... - 30 -
5.18 Tax Status ..... - 30 -
5.19 Modification ..... - 30 -
5.19.1 General ..... - 30 -
5.19.2 Standards ..... - 31 -
5.19.3 Modification Costs ..... - 31 -
5.20 Conformance with NERC and WECC Reliability Requirements ..... - 32 -

Article 6. Testing and Inspection ..... - 32 -
6.1 Pre-Commercial Operation Date Testing and Modifications ..... - 32 -
6.2 Post-Commercial Operation Date Testing and Modifications ..... - 33 -
6.3 Right to Observe Testing ..... - 33 -
6.4 Right to Inspect ..... - 33 -

Article 7. Metering ..... - 33 -
7.1 General ..... - 33 -
7.2 Check Meters ..... - 34 -
7.3 Standards ..... - 34 -
7.4 Testing of Metering Equipment ..... - 34 -
7.5 Metering Data ..... - 34 -

Article 8. Communications ..... - 35 -
8.1 Interconnection Customer Obligations ..... - 35 -
8.2 Remote Terminal Unit ..... - 36 -

8.3 No Annexation ..... - 36 -
8.4 Provision of Data from a Variable Energy Resource ..... - 36 -

Article 9. Operations ..... - 37 -
9.1 General ..... - 37 -
9.2 Balancing Authority Area Notification ..... - 37 -
9.3 Transmission Provider Obligations ..... - 37 -
9.4 Interconnection Customer Obligations ..... - 37 -
9.5 Start-Up and Synchronization ..... - 38 -
9.6 Reactive Power ..... - 38 -
9.6.1 Power Factor Design Criteria ..... - 38 -
9.6.2 Voltage Schedules ..... - 39 -
9.6.3 Payment for Reactive Power Outside of Range ..... - 40 -
9.7 Outages and Interruptions ..... - 40 -
9.7.1 Outages ..... - 40 -
9.7.2 Interruption of Service ..... - 41 -
9.7.3 Under-Frequency and Over Frequency Conditions ..... - 42 -
9.7.4 System Protection and Other Control Requirements ..... - 42 -
9.7.5 Requirements for Protection ..... - 43 -
9.7.6 Power Quality ..... - 44 -
9.8 Switching and Tagging Rules ..... - 44 -
9.9 Use of Interconnection Facilities by Third Parties ..... - 44 -
9.9.1 Purpose of Interconnection Facilities ..... - 44 -
9.9.2 Third Party Users ..... - 44 -
9.10 Disturbance Analysis Data Exchange ..... - 45 -

Article 10. Maintenance ..... - 45 -
10.1 Transmission Provider Obligations ..... - 45 -
10.2 Interconnection Customer Obligations ..... - 45 -
10.3 Coordination ..... - 45 -
10.4 Secondary Systems ..... - 45 -
10.5 Operating and Maintenance Expenses ..... - 45 -

Article 11. Performance Obligation ..... - 45 -
11.1 Interconnection Customer Interconnection Facilities ..... - 46 -
11.2 Transmission Provider's Interconnection Facilities ..... - 46 -
11.3 Network Upgrades and Distribution Upgrades ..... - 46 -
11.4 Transmission Credits ..... - 46 -
11.4.1 Repayment of Amounts Advanced for Network Upgrades ..... - 46 -
11.4.2 Special Provisions for Affected Systems ..... - 46 -
11.4.3 Reserved ..... - 47 -
11.5 Provision of Security ..... - 47 -
11.6 Interconnection Customer Compensation ..... - 47 -
11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition ..... - 48 -

Article 12. Invoice ..... - 48 -
12.1 General ..... - 48 -
12.2 Final Invoice ..... - 48 -
12.3 Payment ..... - 48 -
12.4 Disputes ..... - 48 -

Article 13. Emergencies ..... - 49 -
13.1 Definition ..... - 49 -
13.2 Obligations ..... - 49 -
13.3 Notice ..... - 49 -
13.4 Immediate Action ..... - 49 -
13.5 Transmission Provider Authority ..... - 50 -
13.5.1 General ..... - 50 -
13.5.2 Reduction and Disconnection ..... - 50 -
13.6 Interconnection Customer Authority ..... - 51 -
13.7 Limited Liability ..... - 51 -

Article 14. Regulatory Requirements and Governing Law ..... - 51 -
14.1 Regulatory Requirements ..... - 51 -
14.2 Governing Law ..... - 51 -

Article 15. Notices ..... - 52 -
15.1 General ..... - 52 -
15.2 Billings and Payments ..... - 52 -
15.3 Alternative Forms of Notice ..... - 52 -
15.4 Operations and Maintenance Notice ..... - 52 -

Article 16. Force Majeure ..... - 52 -

Article 17. Default ..... - 53 -
17.1 Default ..... - 53 -
17.1.1 General ..... - 53 -
17.1.2 Right to Terminate ..... - 54 -
17.1.3 Suspension ..... - 54 -

Article 18. Indemnity, Consequential Damages and Insurance ..... - 54 -
18.1 Indemnity ..... - 54 -
18.2 Consequential Damages ..... - 54 -
18.3 Insurance – Applicable Terms and Conditions ..... - 55 -
18.3.1 Additional Insured Status Required ..... - 55 -
18.3.2 Severability of Interests and Cross Liability Required ..... - 55 -
18.3.3 Primary and Non-Contributory Insurance Required ..... - 55 -
18.3.4 Deductibles Subject to Transmission Provider's Discretion ..... - 56 -
18.3.5 Proof of Insurance for Renewal or Extension Required ..... - 56 -

18.3.6 Submission of Acceptable Proof of Insurance and Notice of Cancellation ..... - 56 -
18.3.7 Claims-Made Insurance Conditions ..... - 57 -
18.3.8 Failure to Maintain and Provide as Cause for Termination ..... - 57 -
18.3.9 Periodic Right to Review/Update Insurance Requirements ..... - 57 -
18.3.10 Specific Insurance Requirements ..... - 57 -
18.3.11 Limitation of Liability and Release ..... - 57 -
18.3.12 Reporting ..... - 58 -

Article 19. Assignment ..... - 58 -

Article 20. Severability ..... - 59 -

Article 21. Comparability ..... - 59 -

Article 22. Confidentiality ..... - 59 -
22.1 Confidentiality ..... - 59 -
22.1.1 Term ..... - 59 -
22.1.2 Scope ..... - 60 -
22.1.3 Release of Confidential Information ..... - 60 -
22.1.4 Rights ..... - 60 -
22.1.5 No Warranties ..... - 60 -
22.1.6 Standard of Care ..... - 61 -
22.1.7 Order of Disclosure ..... - 61 -
22.1.8 Termination of Agreement ..... - 61 -
22.1.9 Remedies ..... - 61 -
22.1.10 Disclosure to FERC, its Staff, or a State Regulatory Agency ..... - 62 -
22.1.11 Permitted Disclosures of Confidential Information ..... - 62 -
22.1.11 CPRA, Brown Act and NERC/WECC Requirements ..... - 63 -

Article 23. Environmental Releases ..... - 63 -

Article 24. Information Requirements ..... - 63 -
24.1 Information Acquisition ..... - 63 -
24.2 Information Submission by Transmission Provider ..... - 63 -
24.3 Updated Information Submission by Interconnection Customer ..... - 64 -
24.4 Information Supplementation ..... - 64 -

Article 25. Information Access and Audit Rights ..... - 65 -
25.1 Information Access ..... - 65 -
25.2 Reporting of Non-Force Majeure Events ..... - 65 -
25.3 Audit Rights ..... - 65 -
25.4 Audit Rights Periods ..... - 66 -
25.4.1 Audit Rights Period for Construction-Related Accounts and Records - 66 -
25.4.2 Audit Rights Period for All Other Accounts and Records ..... - 66 -

25.5 Audit Results ..... - 66 -

Article 26. Subcontractors ..... - 66 -
26.1 General ..... - 66 -
26.2 Responsibility of Principal ..... - 66 -
26.3 No Limitation by Insurance ..... - 67 -

Article 27. Disputes ..... - 67 -
27.1 Submission ..... - 67 -
27.2 External Arbitration Procedures ..... - 67 -
27.3 Arbitration Decisions ..... - 67 -
27.4 Costs ..... - 68 -

Article 28. Representations, Warranties, and Covenants ..... - 68 -
28.1 General ..... - 68 -
28.1.1 Good Standing ..... - 68 -
28.1.2 Authority ..... - 68 -
28.1.3 No Conflict ..... - 68 -
28.1.4 Consent and Approval ..... - 68 -

Article 29. Joint Operating Committee ..... - 69 -

Article 30. Miscellaneous ..... - 69 -
30.1 Binding Effect ..... - 69 -
30.2 Conflicts ..... - 70 -
30.3 Rules of Interpretation ..... - 70 -
30.4 Entire Agreement ..... - 70 -
30.5 No Third Party Beneficiaries ..... - 70 -
30.6 Waiver ..... - 70 -
30.7 Headings ..... - 71 -
30.8 Multiple Counterparts ..... - 71 -
30.9 Amendment ..... - 71 -
30.10 Modification by the Parties ..... - 71 -
30.11 Reserved ..... - 71 -
30.12 No Partnership ..... - 71 -
30.13 Severability ..... - 71 -

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 – Requirements of Generators Relying on Newer Technologies

LARGE GENERATOR INTERCONNECTION AGREEMENT

THIS 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 the Department of Water and Power of the City of Los Angeles, a department organized and existing under the Charter of the City of Los Angeles, a municipal corporation of the State of California ("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

In addition to the other terms defined within this LGIA, the following terms, whether in the singular or plural, when used herein and in the appendices attached to this Large Generator Interconnection Agreement and initially capitalized, shall have the meanings specified below:

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 standards, requirements, criteria and guidelines of NERC, the Applicable Reliability Council, and the Balancing Authority Area of the Transmission System to which the Generating Facility is directly interconnected.

Balancing Authority shall mean the responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation 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 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, including any competitively sensitive, commercial or financial information, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Critical Energy Infrastructure Information or CEII shall mean specific engineering, vulnerability, or detailed design information about proposed or existing Critical Infrastructure that: (i) relates details about the production, generation, transportation, transmission, or distribution of energy; (ii) could be useful to a person in planning an attack on Critical Infrastructure; (iii) is exempt from mandatory disclosure under the Freedom of Information Act, 5 U.S.C. § 552; and (iv) does not simply give the general location of the Critical Infrastructure.

Critical Infrastructure shall mean existing and proposed systems and assets, whether physical or virtual, the incapacity or destruction of which would negatively affect security, economic security, public health or safety, or any combination of those matters.

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, as set forth in Article 27 herein.

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.

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, reliability 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 non-firm 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, or 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. For purposes of clarification, the term "Good Utility Practice" shall include compliance with Applicable Reliability Standards.

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 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.

Interconnection Customer's Interconnection Facilities (or ICIF) 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 Large Generator Interconnection Procedures.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 4 of the 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 Large Generator Interconnection Procedures.

Interconnection Feasibility Study Agreement shall mean the form of agreement contained in Appendix 2 of the 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 Large Generator Interconnection Procedures, subject to the Transmission Provider's 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, subject to 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 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 Large Generator Interconnection Procedures.

Interconnection System Impact Study Agreement shall mean the form of agreement contained in Appendix 3 of the 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 Customer 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.

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.

Large Generator Interconnection Procedure (LGIP) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that is included in the Transmission Provider's Tariff.

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, expert witness and consultant 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 or that cause a system impact.

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 Corporation or the successor electric reliability organization.

Network Resource shall mean any designated generating resource owned, purchased, or leased by a Network Customer under an applicable 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 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 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 Delivery shall have the meaning ascribed in the Tariff.

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.

Point of Receipt shall have the meaning ascribed in the Tariff.

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. For purposes of this definition, Transmission Provider shall consider an Interconnection Request to be valid on the date that the Interconnection Customer has satisfied all of the requirements of Section 3.3.1 of the Large Generator Interconnection Procedures.

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.

Standards of Conduct shall mean those standards implemented by Transmission Provider that govern its transmission functions as well as communication of certain information.

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 (also known as the Open Access Transmission Tariff or OATT) and Interconnection Service are offered, as amended or supplemented from time to time, or any successor tariff.

Transmission Operator shall mean the entity that operates or directs the operations of the Transmission System.

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.

Transmission Provider shall mean the transmitting 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. 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 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 Service shall mean those services provided to the Transmission Customer under the Transmission Provider's Tariff to move energy from a Point of Receipt to a Point of Delivery.

Transmission System shall mean the alternating current transmission 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.

WECC shall mean the Western Electricity Coordinating Council or its successor.

WECC Criteria shall mean those approved regional standards and Applicable Reliability Standards established and implemented by WECC, as such criteria may change from time to time.

Article 2. Effective Date, Term, and Termination

2.1 Effective Date. Subject to Article 5.17.10 clause (ii), this LGIA shall become effective upon execution by the Parties.

2.2 Term of Agreement. This LGIA shall remain in effect: (i) for a period of ten (10) years from the Effective Date and shall be automatically renewed for each successive one-year period thereafter, unless terminated by Transmission Provider or Interconnection Customer pursuant to Article 2.3; or (ii) until the Generating Facility permanently ceases Commercial Operation, subject to Articles 2.4, 2.5 and 2.6.

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. This LGIA may be terminated by Transmission Provider if the Generating Facility permanently ceases Commercial Operation.

2.3.2 **Default**. Either Party, as a non-Breaching Party, may terminate this LGIA if the other, as a Breaching Party, fails to cure a Breach in accordance with Article 17.1.2.

2.3.3 Notwithstanding Articles 2.3.1 and 2.3.2, no termination shall supersede any rights and obligations set forth in Articles 2.6 and 17.1.2; the Parties shall comply with all Applicable Laws and Regulations and satisfy all outstanding obligations incurred prior to and through the noticed date of termination.

2.4 **Termination Costs.** Within sixty (60) Calendar Day prior to the termination date of this LGIA or as soon as practical, Transmission Provider shall determine each Party's total cost responsibility for terminating and disconnecting the Generating Facility from Transmission Provider's Interconnection Facilities and shall invoice Interconnection Customer for its proportion of costs arising from, related to or resulting from the termination of this LGIA and disconnection of the Interconnection Customer's Interconnection Facilities from Transmission Provider's Interconnection Facilities (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment or charges assessed by the other Party). The Parties shall use commercially Reasonable Efforts to mitigate the costs, damages, penalties and charges arising as a consequence of termination. Upon termination of this LGIA:

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 terminate any contracts for construction of, such facilities and Interconnection Customer shall be liable for any cost or penalty associated with such cancellation, termination or return; provided, however, in the event Interconnection Customer elects not to authorize or delays authorization of such cancellation, return or termination, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Transmission Provider shall deliver such material and equipment to Interconnection Customer, and, if necessary, Transmission Provider shall assign and Interconnection Customer shall assume liability for such contracts, at Interconnection Customer's expense including any cost or penalties associated with changes in location and delivery terms. 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 of such materials, equipment, or contracts.

Notwithstanding any provision of this Article 2.4, Interconnection Customer shall be responsible for all costs and penalties incurred in association with Interconnection Customer's Interconnection Request and Interconnection Service and termination of Interconnection Service and disconnection of facilities, including any cancellation costs and/or penalties 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, penalties and liabilities 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: (i) to provide for final billings and payments and for costs and/or penalties incurred hereunder, including billings and payments pursuant to this LGIA; (ii) to permit the determination and enforcement of liability and indemnification obligations arising from acts, omissions or events that occurred while this LGIA was in effect; and (iii) 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. Reserved

Article 4. Scope of Service

4.1 Interconnection Product Options. At the time the Interconnection Request was submitted, 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 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. Under the terms and conditions of this LGIA, no Transmission Service from the Large Generating Facility into or across Transmission Provider's Transmission System is being offered. 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 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 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.

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 accordingly.

4.4 No Transmission Service. The execution of this LGIA does not constitute a request for, nor the provision of, any Transmission 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 (Reactive Power) and Article 13.5.1 (Emergency Condition). 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 the Standard 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 Reserved

5.1.3 Option to Build. Transmission Provider, within its sole discretion, may provide Interconnection Customer with the option, in writing, 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 Appendix B, Milestones. 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 the written option provided by Transmission Provider 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, 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 and engineering, procurement and/or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades, Interconnection Customer shall:

(1) engineer, procure equipment, and construct Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades (or portions thereof) using Good Utility Practice and complying with the standards and specifications provided in advance by Transmission Provider;

(2) comply with all Applicable Laws and Regulations and all insurance requirements, warranties, shipping insurance, storage protocols, and other policies and requirements 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) provide Transmission Provider with the engineering design, equipment acceptance tests, and construction drawings of the Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades for Transmission Provider to review and approve;

(4) prior to commencement of construction provide to Transmission Provider a schedule for construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades, and promptly respond to any request for information from Transmission Provider;

(5) at any time during construction, grant unrestricted access to Transmission Provider and allow Transmission Provider to conduct inspections of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(6) be obligated to remedy deficiencies in that portion of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades that do not meet the standards and specifications provided by Transmission Provider at any time during construction;

(7) 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) transfer control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to Transmission Provider;

(9) transfer ownership of Transmission Provider's Interconnection Facilities and Stand-Alone Network Upgrades to Transmission Provider unless the Parties otherwise agree; and

(10) obtain Transmission Provider's approval and acceptance for operation and maintenance of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades prior to the In-Service Date; and

(11) 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.

Upon Interconnection Customer's assumption of the responsibility for the design, procurement and/or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades, Transmission Provider shall:

(12) review and approve the engineering design, equipment acceptance tests, and the construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades; and

(13) approve and accept for operation and maintenance Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to the extent such facilities and upgrades are engineered, procured, and constructed in accordance with this Article 5.2.

5.3 Reserved.

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 or solar photovoltaic generators, unless the need for such criteria has been established in the System Impact Study.

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 from Interconnection Customer to proceed with design and procurement 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 provided that the results support such operations and Interconnection Customer operates such 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 any express or implied representation or warranty as to the design, merchantability, fitness for any particular purpose, safety, durability, reliability, compatibility or capability of the Large Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be directed 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 in writing, 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, or any other pertinent information requested by Transmission Provider. The Interconnection Customer shall provide Transmission Provider with 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 "as-built" drawings, information and documents for Transmission Provider's Interconnection Facilities including relay diagrams.

Transmission Provider will obtain ownership and 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, controlled or leased 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 rights of use, 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's Interconnection Facilities and/or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or Transmission Provider, Transmission Provider 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's Interconnection Facilities and/or Network Upgrades upon such property.

5.14 Permits. Transmission Provider 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 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 use Reasonable Efforts to advance construction of facilities in effort 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 facilities 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. Transmission Provider shall not be liable for any acts or omissions of Interconnection Customer relating to its decision and implementation of suspension. Interconnection Customer shall indemnify Transmission Provider from and against any and all claims, actions, disputes and proceedings which may come against Transmission Provider arising by reason of or incident to Interconnection Customer's suspension of work on Transmission Provider's Interconnection Facilities, Network Upgrades and/or Interconnection Customer's Interconnection Facilities.

In the event that Interconnection Customer elects to suspend work pursuant to this Article 5.16, Interconnection Customer shall be responsible for (i) insuring that the Interconnection Customer's Interconnection Facilities constructed or installed to date are secured and left in a safe and reliable condition in accordance with Good Utility Practice, and (ii) all reasonable and necessary costs which Transmission Provider has incurred pursuant to this LGIA prior to the suspension and which Transmission Provider incurs as a result of the suspension, including any costs incurred to perform such work and any work that 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 pursuant to this Article 5.16 that Transmission Provider required under this LGIA, 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 of the written notice to Transmission Provider, if no effective date is specified.

5.17 Taxes.

To the extent that Transmission Provider becomes subject to Federal income taxation, the following provisions within this Article 5.17 shall apply:

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, property transfers, or its use of the Transmission Provider's Interconnection Facilities or the Transmission System by Interconnection Customer under the terms and conditions of this LGIA, 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,

(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 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 also be deemed to refer to and 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, Tax Exempt and Tax Credit Bonds (as defined in Section 13.6.1 of the LGIP).

5.19 Modification.

5.19.1 General. Either Party may undertake modifications to its facilities; provided that, each Party does not impair or impede the local area stability and reliability of the Transmission System. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide written notification to the other Party and also provide 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 or from Interconnection Facilities or on the Transmission System.

If Interconnection Customer is undertaking any modification as a result of an interconnection request by a third party or an Affiliate or on its own to interconnect to the Interconnection Customer's Interconnection Facilities, Interconnection Customer shall treat Transmission Provider as an Affected System Operator and further comply with all Applicable Laws and Regulations including any necessary filing of a transmission tariff with FERC and securing the necessary ancillary services from Transmission Provider or another entity to support transmission service on Interconnection Customer's Interconnection Facilities. Interconnection Customer shall also coordinate its studies with Transmission Provider to evaluate whether any Network Upgrades are required on the Transmission Provider's Transmission System as a result of such interconnection request.

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 a new or separate Interconnection Request, Transmission Provider shall, upon receipt of Interconnection Customer's written notification of modifications, provide, within sixty (60) 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 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 or any necessary additions, modifications or replacements to Transmission Provider's Interconnection Facilities and Transmission Provider's Transmission System resulting from any interconnection request processed by Interconnection Customer to interconnect into Interconnection Customer's Interconnection Facilities, consistent with Applicable Laws and Regulations, Applicable Reliability Standards and/or Good Utility Practice.

5.20 Conformance with NERC and WECC Reliability Requirements. Interconnection Customer must abide by all Applicable Reliability Standards including, but not limited to:

1. Coordination of joint studies of new facilities and their impacts on the interconnected transmission systems.
2. Notification of new or modified facilities to others (those responsible for the reliability of the interconnected transmission systems) as soon as feasible.
3. Voltage level and MW and MVAR capacity or demand at point of connection.
4. Breaker duty and surge protection.
5. System protection and coordination.
6. Metering and telecommunications.
7. Grounding and safety issues.
8. Insulation and insulation coordination.
9. Voltage, Reactive Power, and power factor control.
10. Power quality impacts.
11. Equipment Ratings.
12. Synchronizing of facilities.
13. Maintenance coordination.
14. Operational issues (abnormal frequency and voltages).
15. Inspection requirements for existing or new facilities.
16. Communications and procedures during normal and emergency operating conditions.

More general requirements are identified within various articles of this LGIA.

Article 6. Testing and Inspection

6.1 Pre-Commercial Operation Date Testing and Modifications. Prior to the Commercial Operation Date, Transmission Provider shall test and measure Transmission Provider's Interconnection Facilities and Network Upgrades and Interconnection Customer shall test and measure the Large Generating Facility and Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing and measurement may be required after initial operation. Each Party shall make modifications to its facilities that are found to be necessary as a result of such testing and measurements. Interconnection Customer shall bear the cost of all such testing, measurements, any additional study of harmonics and sub-synchronous resonance (SSR)

that Transmission Provider deems necessary, and any modification. 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, 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 or representation as to the merchantability, fitness for a particular purpose, safety, desirability, durability 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 governing metering. 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.

7.1.2 **Station Power to the Generating Facility.** The Interconnection Customer shall make all appropriate arrangements for station service requirements with the local retail service provider, including the delivery component of transmission service, if applicable. If the Transmission Provider is not the local retail service provider for the Generating Facility, the Transmission Provider shall not be obligated or responsible for providing station power to the Generating Facility.

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 or agent. 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 comply with the above inspection and testing cycle, 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.

7.6 Performance Monitoring by Phasor Measuring Units

The Interconnection Customer shall provide a simulation model to Transmission Provider which complies with the WECC Generator Test Policy posted in the "Generator Testing Program" area on the WECC website at www.wecc.biz, or any successor Test Policy. Monitoring of the generator's actual dynamic behavior is required to fully validate and verify the model provided by or on behalf of the Interconnection Customer. If Transmission Provider observes a severe discrepancy between the monitored dynamic behavior and the simulation based on the model and parametric values provided by the Interconnection Customer, then the Interconnection Customer shall be required to perform parametric testing of the generation equipment at Interconnection Customer's expense.

Transmission Provider uses a Phasor Measuring Unit (PMU) to monitor the dynamic behavior of the generator. A PMU provides digital high-speed time-synchronized voltage and current phasors and frequency measurements. Transmission Provider requires PMU functionality at all generation plants that are directly interconnected to Transmission Provider's Transmission System at voltages of 230-kV and above, and at some lower voltage interconnections when identified during the Interconnection Study. The PMU will be installed at the Interconnection Customer's substation, such as a collector station for a wind generation project. The PMU will measure quantities at either the low side or high side of each substation step-up transformer (e.g., 34.5/230 kV).

Transmission Provider will provide the manufacturer and model number for the PMU. The PMU and the required communication circuits/equipment at the Interconnection Customer's substation shall be installed by Interconnection Customer, or by Transmission Provider at Interconnection Customer's expense.
Depending on the Point of Interconnection, Transmission Provider will also require a continuous data stream to a Transmission Provider Phasor Data Concentrator via the installed communications network at the Interconnection Customer's substation. The PMU must be tested after configuration (but prior to installation) for compliance with IEEE C37.118 standard (or applicable superseding IEEE Standard) and WECC filtering and dynamic performance requirements.

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 and Interconnection Customer shall supply data in accordance with this communication protocol, including but not limited to: (1) real-time analog data which must be telemetered directly to the location(s) specified by Transmission Provider; (2) status points; (3) accumulators; (4) control points; and (5) any other operating data requested 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 in writing 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 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 operate, maintain and control the Transmission System and Transmission Provider's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA. Transmission Provider has authority to provide operating instructions to Interconnection Customer consistent with this LGIA, Applicable Reliability Standards, and Transmission Provider's operating protocols and procedures, as they may change from time to time.

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 and the NERC Reliability Standards. 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 a part, as such requirements are set forth in Appendix C, Interconnection Details, of this LGIA. Notwithstanding the provisions in Articles 30.9 and 30.10, Transmission Provider may modify Appendix C, Interconnection Details, to reflect changes to the requirements as they may change from time to time without the need for a written amendment to this LGIA. 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.

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 or Transmission Operator has established different requirements that apply to all 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 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 or Transmission Operator 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 or Transmission Operator's voltage schedules, which may be modified in real time as necessary, shall treat all sources of reactive power in the Balancing Authority Area in an equitable and not unduly discriminatory manner. For purposes of this Article 9.6.2, "voltage schedule" is the target voltage to be maintained within a tolerance band during a specified period.

Transmission Provider or Transmission Operator 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 Transmission Operator.

9.6.2.1 Governors and Regulators. Whenever the Large Generating Facility is operated in parallel with the Transmission System and the speed governors (if installed on the generating unit pursuant to Good Utility Practice) as well as the voltage regulators are capable of operation, Interconnection Customer shall operate the Large Generating Facility with its speed governors and voltage regulators in automatic operation. If the Large Generating Facility's speed governors and voltage regulators are not capable of such automatic operation, Interconnection Customer shall immediately notify the Transmission Operator 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.

9.6.2.2 Off-Nominal Frequency and Under-frequency Load Shedding Criteria

Interconnection Customer acknowledges that Transmission Provider has obligations to comply with Applicable Reliability Standards addressing Off-Nominal Frequency Load Shedding and Under-frequency Load Shedding, and Interconnection Customer agrees to cooperate with any request made by Transmission Provider that may be necessary to ensure compliance with such requirements.

9.6.3 Payment for Reactive Power Outside of Range. Transmission Provider will 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 mutually agreed.

9.6.4 No Payment for Reactive Power Within Range. Transmission Provider does not pay its own or affiliated generators for reactive power service within the specified range and similarly will not pay Interconnection Customer for reactive power service within the specified range.

9.7 Outages and Interruptions.

9.7.1 Outages.

9.7.1.1 Outage Authority and Coordination. Each Party, in accordance with Good Utility Practice and in compliance with Applicable Reliability Standards, shall coordinate with the other Party as well as the Transmission Operator and Balancing Authority, if not the same as Transmission Provider, before removing from service any of its respective Interconnection Facilities or Network Upgrades that may impact the other Party's facilities, including the Transmission System, 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, Transmission Operator, and Balancing Authority. 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 (as defined in the Tariff). Interconnection Customer shall submit its planned maintenance schedules for the Large Generating Facility to Transmission Provider for a minimum of a rolling twenty-four (24) 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.

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 or Applicable Reliability Standards 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 any 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; and

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 and WECC Criteria.

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, Applicable Reliability Standards, and WECC Criteria, 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 with 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 or implemented on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as may be 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 or among 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, pursuant to a mutually agreed upon methodology. If the issue of such compensation or allocation cannot be resolved through such

negotiations, it shall be submitted for dispute resolution as set forth in Article 27 of this LGIA.

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, alternating current (AC) or direct current (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 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 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 the payment of and all costs related to Distribution Upgrades and Network Upgrades.

11.4 Transmission Credits.

11.4.1 Repayment of Amounts Advanced for Network Upgrades. Transmission Provider is a non-public utility. Transmission Provider and Interconnection Customer agree to waive the crediting policy and reimbursement obligations applicable to public utility transmission providers.

Notwithstanding the foregoing, if an Affected System is identified in the evaluation of the Interconnection Request or Interconnection Service, Interconnection Customer and Affected System Operator will comply with the crediting policy or reimbursement obligations of the Affected System Operator without any cost allocation to Transmission Provider.

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, the Affected System Operator and Interconnection Customer shall comply with the crediting and reimbursement policy of the Affected System Operator without any cost allocation to Transmission Provider.

11.4.2 Special Provisions for Affected Systems. Interconnection Customer and Affected System Operator shall enter into an agreement that provides for compliance with the crediting policy or reimbursement obligations of the Affected System Operator without any such costs being allocated to or imposed upon Transmission Provider.

11.4.3 Reserved.

11.5 Provision of Security. At least thirty (30) Calendar Days prior to the commencement of the design, engineering, 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 designing, engineering, constructing, procuring and installing the applicable portion of Transmission Provider's Interconnection Facilities, Network Upgrades, and/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 (Emergency Condition) 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 subject to any refund or modification if contested by Transmission Provider.

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 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; provided however, if Interconnection Customer opts to utilize an escrow account Interconnection Customer shall be responsible for all administrative and financial obligations associated with setting up and maintaining the independent escrow account until resolution of the dispute without any involvement of or reimbursement by Transmission Provider. If Interconnection Customer fails to meet these two requirements for continuation of Interconnection 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.

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, reliability 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 wherein 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 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 black start (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, NERC Reliability Standards, and the LGIA, 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 property 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 its efforts.

13.7 Limited Liability. Except as otherwise provided in Article 11.6.1 of this LGIA, neither Party shall be liable to the other Party for any action or inaction it takes in responding to an Emergency Condition so long as such action or inaction 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 and enforced in accordance with the laws of the State of California, as if executed and to be performed wholly within the State of California.

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 A Party shall not be considered to be in Default in the performance of any of its obligations under this Agreement when and to the extent such Party's performance is prevented by a Force Majeure that, despite the exercise of due diligence (which does not require the affected Party to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance), such Party is unable to prevent, mitigate, or fulfill any obligation hereunder (other than an obligation to pay money when due) and provides immediate notice as soon as reasonably possible of the Force Majeure to the other Party after becoming aware thereof ("Force Majeure Immediate Notice"), subject to

the additional requirement of a Force Majeure Written Notice set forth in Article 16.1.2.

16.1.2 A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall the Force Majeure Immediate Notice pursuant to Article 16.1.1 and shall further provide a written detailed description of the full particulars of such Force Majeure to the other Party no later than thirty (30) calendar days after the initial occurrence of the claimed Force Majeure ("Force Majeure Written Notice"), which such notice shall include information with respect to the nature, cause and date and time of commencement of such event, and the anticipated scope and duration of the delay. The affected Party that timely provides both the Force Majeure Immediate Notice and the Force Majeure Written Notice shall be excused from fulfilling its obligations under this Agreement until such time as the Force Majeure has ceased to prevent performance or other remedial action is taken, at which time the Party shall promptly notify the other Party of the resumption of its obligations under this Agreement. If, after satisfying the notice requirements set for above, the unaffected Party reasonably concludes that a Force Majeure or its impact on the affected Party or any facility including the Transmission System will continue (i) for a period of 180 or more consecutive calendar days, or (ii) for an aggregate period of 270 or more non-consecutive calendar days in the case of any claimed Force Majeure event or series of claimed Force Majeure events, the unaffected Party shall have the right to terminate this Agreement effective upon notice to the affected Party.

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 (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 any Breach is not cured as provided in Article 17.1.1, or if a Breach is not capable of being cured within the period provided for therein, the non-Breaching Party shall have the right to declare a Default and terminate this LGIA by written notice, and shall be relieved of any further obligation hereunder and, the non-Breaching Party shall have the right 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.

17.1.3 **Suspension.**
If the non-Breaching Party, within its sole discretion, chooses not to immediately exercise its right under Article 17.1.2, the non-Breaching Party may provide written notice to the Breaching Party of its intent to elect to suspend this Agreement for a date certain ("Notice of Suspension"), which such notice shall not to exceed one hundred eighty (180) Calendar Days from the date of its issuance ("Suspension Period"). Suspension of this Agreement shall remain in effect from the date that the non-Breaching Party issued the Notice of Suspension until the earlier of: (i) the Breaching Party's cure of its Breach; or (ii) the expiration of the Suspension Period. If the Breaching Party failed to cure the Breach prior to the expiration of the Suspension Period, the non-Breaching Party shall immediately invoke the provisions of Article 17.1.2.

Article 18. Indemnity, Consequential Damages and Insurance

18.1 **Indemnity**. The Parties shall at all times indemnify, defend, and hold harmless the other Parties, their respective officials (elected or appointed), Boards, officers, managers, agents, employees, assigns and successors in interest, from and against any and all suits, causes of action, claims, charges, damages, demands, judgments, civil fines, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and costs of experts and consultants), or losses of any kind or nature whatsoever including, without limitation, business interruption, impairment of contract, death, bodily injury or personal injury to any person, damage or destruction or loss of use to or of any property (financial, physical, or intellectual) by or to third parties (collectively, "Losses") arising by reason of or incident to or directly or indirectly related to the other Party's acts, errors or omissions, performance or non-performance or Breach of any of their obligations of or under this LGIA, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

18.2 **Consequential Damages**. 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, business interruption, 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.

18.3 Insurance – Applicable Terms and Conditions.

18.3.1 Additional Insured Status Required.
Interconnection Customer shall procure at its own expense, and keep in effect at all times during the term of this Agreement, the types and amounts of insurance specified on the attached Contract Insurance Requirements page. The specified insurance shall also, either by provisions in the policies, by City's own endorsement form or by other endorsement attached to such policies, be in a form acceptable to the Risk Manager of Transmission Provider (hereinafter referred to as "Risk Manager") and the Office of City Attorney, include and insure City, Transmission Provider, its Board of Commissioners (hereinafter referred to as "Board"), and all of its officers, employees and agents, their successors and assigns, as Additional Insureds (except for Workers' Compensation), against the area of risk described herein as respects Interconnection Customer's acts or omissions in its performance of the agreement, hereunder or other related functions performed by or on behalf of Interconnection Customer. Acceptance of the submitted evidence of insurance shall not be unreasonably withheld. Such insurance shall not limit or qualify the liabilities and obligations of the Interconnection Customer assumed under the contract.

18.3.2 Severability of Interests and Cross Liability Required.
Each specified insurance policy (other than Workers' Compensation and Employers' Liability and Property coverage) shall contain a Severability of Interest and Cross Liability clause which states in effect, "It is agreed that the insurance afforded by this policy shall apply separately to each insured against whom claim is made or suit is brought except with respect to the limits of the company's liability," and a Contractual Liability Endorsement which shall state in effect, "Such insurance as is afforded by this policy shall also apply to liability assumed by the insured under this Agreement with the City of Los Angeles."

18.3.3 Primary and Non-Contributory Insurance Required.
All such insurance shall be Primary and Noncontributing with any other insurance held by Transmission Provider where liability arises out of or results from the acts or omissions of Interconnection Customer, its agents, employees, officers, assigns, or any person or entity acting for or on behalf of Interconnection Customer. Any insurance carried by Transmission Provider which may be applicable shall be deemed to be excess insurance and the Interconnection Customer's insurance is primary for all purposes

despite any conflicting provision in the Interconnection Customer's policies to the contrary.

18.3.4 Deductibles Subject to Transmission Provider's Discretion.
Deductibles and/or self-insured retentions shall be at the sole discretion of the Risk Manager. The Transmission Provider shall have no liability for any premiums charged for such coverage(s). The inclusion of the Transmission Provider, its Board, and all of its officers, employees and agents, and their agents and assigns, as additional insureds, is not intended to, and shall not, make them, or any of them a partner or joint venturer with Interconnection Customer in its operations.

18.3.5 Proof of Insurance for Renewal or Extension Required.
At least thirty (30) days after to the expiration date of any of the policies required on the attached Contract Requirement page, documentation showing that the insurance coverage has been renewed or extended shall be filed with the Transmission Provider. If such coverage is canceled or reduced in coverage, Interconnection Customer shall, within fifteen (15) days of such cancellation or reduction of coverage, file with Transmission Provider evidence that the required insurance has been reinstated or provided through another insurance company or companies.

18.3.6 Submission of Acceptable Proof of Insurance and Notice of Cancellation.
Interconnection Customer shall provide proof to the Risk Manager of all specified insurance and related requirements either by production of the actual insurance policy(ies), by use of Transmission Provider's own endorsement form(s), or by other written evidence of insurance acceptable to the Risk Manager, but always in a form acceptable to the Risk Manager and the Office of the City Attorney. Acceptance of the submitted evidence of insurance shall not be unreasonably withheld. The documents evidencing all specified coverage shall be filed with Transmission Provider prior to Interconnection Customer beginning operations hereunder. Said proof shall contain at a minimum, the applicable policy number, the inclusive dates of policy coverage, the date the protection begins for Transmission Provider, and the insurance carrier's name. It shall bear an original signature of an authorized representative of said carrier, and shall provide that such insurance shall not be subject to cancellation, material reduction in coverage or non-renewal except after written notice by certified mail, return receipt requested, to the City Attorney of the City of Los Angeles at least thirty (30) calendar days prior to the effective date thereof. Seller may provide the required notice consistent with the time frame specified herein. The notification shall be sent by registered mail to: Risk Management Section, L.A. Water and

Power, Post Office Box 51111, JFB Room 465, Los Angeles, California 90051-0100.

18.3.7 Claims-Made Insurance Conditions.
Should any portion of the required insurance be on a "Claims Made" policy, the Interconnection Customer shall, at the policy expiration date following completion of work, provide evidence that the "Claims Made" policy has been renewed or replaced with the same limits, terms and conditions of the expiring policy, or that an extended three (3) years discovery period has been purchased on the expiring policy at least for the contract under which the work was performed.

18.3.8 Failure to Maintain and Provide as Cause for Termination.
Failure to maintain and provide acceptable evidence of the required insurance for the required period of coverage shall constitute a breach of contract, upon which Transmission Provider may immediately terminate or suspend the agreement.

18.3.9 Periodic Right to Review/Update Insurance Requirements.
The Transmission Provider and Interconnection Customer agree that the insurance policy limits specified on the attached Contract Insurance Requirements page may be reviewed for adequacy annually throughout the term of this Agreement by the Risk Manager/City Attorney, who may thereafter require Interconnection Customer to adjust the amounts and types of insurance coverage however the Risk Manager/City Attorney deems to be adequate and necessary. Transmission Provider reserves the right to have submitted to it, upon request, all pertinent information about the agent and carrier providing such insurance, including applicable license and ratings.

18.3.10 Specific Insurance Requirements.

See Attachment "Contract Insurance Requirements."

18.3.11 Limitation of Liability and Release.

TRANSMISSION PROVIDER SHALL NOT BE LIABLE TO INTERCONNECTION CUSTOMER UNDER ANY CIRCUMSTANCES, UNDER ANY THEORY OF LIABILITY AT LAW OR IN EQUITY, WHETHER SUCH LIABILITY IS KNOWN OR UNKNOWN AT THE TIME OF SIGNING THIS AGREEMENT, OR ANY TIME THEREAFTER, FOR ANY DEATH, BODILY INJURY, AND LOSS OF USE OR DAMAGE OR DESTRUCTION OF ANY PROPERTY OR ANY BUSINESS INTERRUPTION, TO A THIRD PARTY OR TO INTERCONNECTION CUSTOMER.

INTERCONNECTION CUSTOMER DOES SO HEREBY ACKNOWLEDGE THAT IT HAS READ AND COMPREHENDED THE FOLLOWING PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 (OR ITS SUCCESSOR STATUTE) WHICH PROVIDES:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, INTERCONNECTION CUSTOMER HEREBY EXPRESSLY WAIVES ANY RIGHTS IT MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMOM LAW PRINCIPLES OF SIMILAR EFFECT.

18.3.12 Reporting.
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 prior written consent of the other; provided that, either Party may assign this LGIA to any Affiliate of the assigning Party with an equal or better credit rating or profile 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 written 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, prior written consent to assignment will not be unreasonably withheld, conditioned or delayed.

The General Manager of DWP, and/or his/her designee, is authorized to grant the consents contemplated by this Section 19.1 on behalf of LADWP.

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 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 Interconnection Customer, if required, 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, reliability, or completeness, unless otherwise stated. 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 applicable regulatory requirements.

22.1.7 **Order of Disclosure**. If a court or a Governmental 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 thirty (30) 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 Regulatory Agency. Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff, or if a state regulatory agency, 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 Permitted Disclosures of Confidential Information. Subject to the exception in Article 22.1.10, any Confidential Information that a Party claims contains competitively sensitive, commercial or financial information under this LGIA shall not be disclosed by the other Party to any person who is 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 including disclosing the Confidential Information to an RTO or ISO or to a subregional, 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.

22.1.12 CPRA, Brown Act and NERC/WECC Requirements.
In addition to the foregoing provisions under this Article 22, Interconnection Customer acknowledges that Transmission Provider is subject to disclosure as required by the California Public Records Act, Cal. Govt. Code §§6250 et seq. ("CPRA") and the Ralph M. Brown Act, Cal. Govt. Code §§ 54950 *et. seq*. ("Brown Act"), as well as certain data sharing requirements imposed by NERC and WECC. Any data sharing with NERC or WECC shall be made pursuant to the requirements imposed by NERC and WECC and any applicable data sharing or confidentiality agreements. Requests for information made directly to Transmission Provider pursuant to CPRA will be managed in a similar manner identified within Article 22.1.11. For purposes of the Brown Act, the Parties shall adhere to the provisions of Article 22.1 to maintain confidentiality.

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. Transmission Provider and Interconnection Customer shall designate and mark any materials determined to be CEII.

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 in writing. On a monthly basis Transmission Provider shall provide Interconnection Customer with 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. All updated information submission by Interconnection Customer, including manufacturer information and any revision to the Large Generating Facility data requirements contained in Appendix 1 to the LGIP, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. Additionally, such updated information submission shall include any additional information provided to Transmission Provider for the Interconnection Studies. 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, at Interconnection Customer's expense, to determine the impact on Transmission Provider's Transmission System based on the actual data submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such study(ies) is/are completed and any subsequent mitigation, as determined from the study result(s), is implemented.

24.4 Information Supplementation. Prior to the Commercial 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 by or on

behalf of Interconnection Customer and such results shall be provided to Transmission Provider for each individual generating unit in a station.

Subsequent to the Commercial Operation Date, Interconnection Customer shall provide Transmission Provider any information changes due to equipment replacement, repair, or adjustment. Transmission Provider shall provide Interconnection Customer with 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. Each Party is obligated to provide the above information to the other no later than thirty (30) Calendar Days after the date of any repair or adjustment has been completed or any equipment replacement has been placed into service.

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 exclusive 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 transpire within 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 transpire within 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 written 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; provide that, any dispute arising out of or relating to this LGIA shall be brought in a state or federal court in the County of Los Angeles in the State of California. Each Party irrevocably agrees to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of *forum non conveniens*.

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"); 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.

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 legal 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 any law, organizational or formation documents, or bylaws, charter 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. 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 a future 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. Expressly excepting any updates made to Appendix F, 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 written amendment shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.

30.11 Reserved.

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 Severability. If any part, term or provision of this LGIA is determined to be invalid, illegal, unenforceable, or in conflict with any law of a federal, state or local government having jurisdiction over this LGIA, such determination shall be limited to those specific parts, terms or provisions and shall not affect the enforceability or validity of any other provision hereof, which shall remain in full force and effect.

[The remainder of this page was intentionally left blank]

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.

DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES

By: _____

Title: _____

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 Other Network Upgrades]:

3. **Distribution Upgrades:**

Appendix B to LGIA

Milestones

Appendix C to LGIA

Interconnection Details

[To be developed by Transmission Provider]

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. There is an expectation that all Transmission Providers, market participants, and Interconnection Customers interconnected to the Transmission System will comply with the best practices utilized in the electric reliability authority. Each Party 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 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 No. 661 that have either: (i) interconnection agreements signed and filed with the FERC, filed with the FERC in unexecuted form, or filed with the FERC 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 pre-fault 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 pre-fault 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 TO LGIP

INTERCONNECTION PROCEDURES FOR A WIND GENERATING PLANT OR SOLAR GENERATING PLANT

This appendix sets forth procedures specific to a wind generating plant or to a solar generating plant. All other requirements of this LGIP continue to apply to interconnections of a wind generating plant or solar generating plant.

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.

B. Special Procedures Applicable to Solar Power Generation

The solar 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 solar plant as a single equivalent inverter-based solar power generation in terms of its megawatt output (MW or real power). Upon satisfying these and other applicable Interconnection Request conditions, the solar power 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 solar power plant Interconnection Customer must submit the following: (i) completed detailed electrical design specifications; (ii) a WECC approved standard study model (standard model) if available. If the standard model for a given solar generation technology is not yet available, then the Interconnection Customer can provide vendor-specific, user-written or an equivalent model with a source code algorithm in General Electric's Engineer Programming Control Language (EPCL) that can be compiled at run time by Power System Load Flow (PSLF) platform's internal compiler; however, once a standard model becomes available, the Interconnection Customer should begin furnishing such standard model; and (iii) other data (including collector system layout data) needed to allow the Transmission Provider to complete the System Impact Study.

Attachment A to Appendix 7
Interconnection Data for
Solar Photovoltaic Generating Plants

Solar Photovoltaic (PV) Specifications

Technologies: ___Thin Film PV ___Monocrystalline PV ___Polycrystalline PV ___Other (Specify below)

_____

Manufacturer, Model Name, and Number_____
Total Number of PV Panels _____
Rated Maximum Power Output (kW) _____Summer _____Winter
Nominal Voltage (DC) _____V

Inverter Specifications

Manufacturer, Model Name, and Number_____
Version Number_____
Total Number of Inverters _____
Voltage (DC) Input Range _____V
Maximum Voc (DC) _____V
Number of Phases _____
AC Voltage Range _____V
Maximum Output Current per Phase _____A
Maximum Continuous Output Power _____kW
Nominal Output Frequency _____Hz
Power Factor _____
Total Harmonic Distortion (THD) _____%

Isolation Transformer Specifications

Low Side and High Side Voltages _____/_____kV
MVA Base _____MVA Continuous Rating _____MVA
Emergency Rating _____MVA Reactance _____% or _____ p.u
Transformer Connection _____ Number of Transformers _____

Equipment Certifications

List the above components of the Solar Facility that are currently certified:

Equipment Type	Certifying Entity
1._____	_____
2._____	_____
3._____	_____

Certification and Standards

1. IEEE Std 519-1992, IEEE Recommended Practices and Requirements for Harmonic Control in Electrical Power Systems.
2. UL 1703 Standard for Safety, Flat-Plate Photovoltaic Modules and Panels
3. UL 1741 Standard for Inverters, Converters, and Controllers for Use in Independent Power Systems
4. IEEE Std 929-2000 IEEE Recommended Practice for Utility Interface of Photovoltaic (PV) Systems.